W-2 CHILD SUPPORT
DEMONSTRATION EVALUATION
PHASE 2: FINAL REPORT

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W-2 Child Support Demonstration Evaluation (W-2 CSDE), 1997–2003

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Executive Summary

With the introduction of Wisconsin Works (W-2) in 1997, Wisconsin initiated a radically new approach to public assistance for low-income families. W-2 replaced Aid to Families with Dependent Children (AFDC), the program that had previously offered cash to low-income, primarily single-parent families. W-2 participants are placed into one of four tiers of a "self-sufficiency ladder." The two upper tiers, Unsubsidized and Trial (subsidized) Jobs, provide case management and associated programs, but no cash payment. The two lower tiers, Community Service Jobs and W-2 Transition, provide a cash payment in return for participation in worklike activities. W-2 also includes a unique child support component that is the subject of an experimental evaluation. This report presents the results of the second phase of the W-2 Child Support Demonstration Evaluation (CSDE). It includes results for two cohorts of cases; Cohort 1 cases entered during the first three calendar quarters of the experiment, and Cohort 3 cases entered during the sixth and seventh quarters of the experiment. Because some additional implementation training was done prior to the entry of Cohort 3 cases, comparing the early and later cohorts provides an opportunity to assess the effects of a more fully implemented program.

Welfare reforms such as time limits, work requirements, and the lack of an entitlement to cash assistance have made nonwelfare sources of income essential, and in turn have increased the potential importance of child support as an income source for low-income single-parent families. Wisconsin has both relatively stringent work requirements and a uniquely generous approach to child support. Mothers participating in W-2 have any child support paid on behalf of their children passed through to them, and disregarded in the calculation of their W-2 cash payments. In most other states, child support paid on behalf of children receiving cash assistance is kept by the government to offset welfare costs; thus the family receives no additional income from child support.

To evaluate the impact of the full pass-through, the W-2 child support policy was initially implemented as a random-assignment evaluation. From September 1997 through June 1999, most cases entering W-2 were assigned to receive a full pass-through of any child support paid, but a randomly selected control group was assigned to receive a reduced amount. These assignments remained in place until July 2002, when all cases began to receive the full pass-through. Because assignment to the experimental (full pass-through) and control (partial pass-through) groups was random, any differences in outcomes between the two groups can be attributed to the difference in the treatment of child support. In addition, an inadvertent suspension of random assignment in Milwaukee in the latter half of 1998 offered an opportunity to provide additional training to workers about the imperfectly understood pass-through policy, and then to create a new, later-entering cohort after random assignment was restarted in 1999. Although inclusion in the earlier or later cohort was clearly not random (and there are significant demographic differences between the two), we used regression analysis to attempt to isolate any differences between the two cohorts that were due to implementation changes rather than to demographic differences.

As shown in Chapter 2, although the full pass-through policy was well received among workers, understanding of the experiment was low among case managers, and worker understanding (never as great as would have been desirable for ideal implementation) actually declined between summer 2000 and spring 2002. Early results from the implementation study prior to the additional implementation training provided in late 1999 also showed low understanding of the experiment. Thus, it does not appear that the additional training had a strong effect on workers' understanding of the pass-through policy and the experiment.

As shown in Chapter 3, we find evidence of the experiment's effects that is consistent with what has been found in earlier reports. Children in the full pass-through group were more likely to have paternity established than those in the control group, and a greater percentage of mothers in the full pass-through group both had child support paid on their behalf and received child support (the last being the mechanical effect of the full pass-through). These results were particularly apparent in the subgroups of cases that were likely to be new to the welfare system and those that had a history of higher child support paid on their behalf. Experimental effects were generally somewhat less apparent for the later-entering cohort, which could be partly due to the smaller sample sizes of that group.

We had hypothesized that the experimental effects would be stronger for the later-entering cohort than for the earliest entrants because of improvements in W-2 and in child support pass-through policy implementation. For the most part, we do not see this effect, and, in fact, in several instances the effects for the earlier cohort are stronger than for the later cohort. The one subgroup where the later cohort had stronger effects in child support outcomes consisted of cases that had a history of higher child support amounts. The lack of consistently stronger effects for the later cohort is not surprising in light of the findings of the implementation analysis reported in Chapter 2. That analysis showed that a lack of understanding of the experiment persisted even after the additional training.

The results of the CSDE presented here continue to demonstrate that Wisconsin's full pass-through has been able to increase child support amounts received among an economically vulnerable population. In many ways it is striking that we do find evidence of effects, given findings that the pass-through policy and experiment were not ideally implemented, the lack of a large difference in the policies faced by the experimental and control groups, the speed with which mothers have moved off W-2, and the relative socioeconomic disadvantage of W-2 participants. Now that the full pass-through policy is universal, and no cases receive a reduced pass-through, it should be easier to explain the policy to participants. Indeed, the state is currently undertaking a publicity effort aimed at increasing knowledge of the pass-through. This could increase the effects of the policy even beyond that shown in this report.

In most states, TANF participants do not receive any of the child support paid on behalf of their children. This no-pass-through policy generates revenue to offset the costs of providing public assistance and the costs of child support enforcement in the short run. Our results continue to suggest, however, that this policy has potentially detrimental effects on the development of child support as a long-run income source for single mothers and children. Given the time-limited nature of cash assistance, the benefits to government of retaining child support are also quite limited. In contrast, the benefits to children of establishing paternity and setting a pattern of child support payments are potentially more enduring. Especially for this reason, a full pass-through continues to appear to be a policy worthy of serious consideration by other states.

Chapter 1
Introduction

In the fall of 1997 Wisconsin began to implement Wisconsin Works (W-2) as a replacement for the Aid to Families with Dependent Children (AFDC) cash assistance program. The program reflects a dramatically different approach to public assistance for low-income families. W-2 emphasizes immediate work or worklike activities as a prerequisite for cash assistance. The factd that assistance does not vary with family size, and that it is directly tied for most participants to their hours of participation, are examples of ways in which W-2 attempts to replicate the "real world of work." Consistent with this approach, custodial parents participating in W-2 are allowed to keep all child support paid on behalf of their children, and child support income is not considered in calculating the level of cash benefits. Thus, child support is treated the same way as it would be were parents working outside the program. This 100 percent "pass-through" and "disregard" of child support is unique to Wisconsin. The reform is undergoing evaluation, and this report is the fourth comprehensive report completed as part of the Child Support Demonstration Evaluation (CSDE) project.[1]

While earlier CSDE reports focused on W-2 recipients who transferred from AFDC or who started on W-2 in the first 9 months after the program started in September 1997, this report features a comparison of the effects of the full pass-through policy on the earlier cohort of cases from the previous reports and a later cohort of cases which entered W-2 in the first two quarters of 1999.

In this introductory chapter we discuss welfare reform and child support policy, with a particular focus on the W-2 program and the relationship between welfare and child support in Wisconsin. We then describe the CSDE, the sample of participants, and the data sources on which our analysis is based. The final section of this chapter summarizes the major findings of prior CSDE reports. Chapter 2 is a performance analysis, looking at the implementation of the child support demonstration and the implications of that implementation. Experimental effects for two cohorts are reported in Chapter 3. Chapter 4 provides an overall summary and a discussion of policy implications. Appendices include a report on the design of the CSDE experiment, results for cases and time periods not covered in the main report, and a report on the costs of the full pass-through policy to both the state and federal governments.

Welfare Reform and Child Support Policy

Because some children remain poor even when their noncustodial parent pays child support, and because some noncustodial parents do not pay, public assistance is inextricably linked to the child support paid by noncustodial parents. Child support policy has increasingly come to the attention of policy makers. Part of the impetus for this has been the rapid growth in the number of single-parent families: whereas only one child in 12 lived in a mother-only family in 1960, since the early 1990s the proportion has been nearly one in four (U.S. Bureau of the Census, 2001). The public assistance system burgeoned from the 1960s to the 1990s in part because of increases in single-parent families and failures of the child support system to ensure economic security for the children living in these families.

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[1]The first report, *Initial Findings from the W-2 Child Support Demonstration Evaluation* (1999), was superseded by the second report, *W-2 Child Support Demonstration Evaluation, Phase 1, Final Report* (2001). The third report, *W-2 Child Support Demonstration Evaluation, Report on Nonexperimental Analyses* (2002), included analyses not included in the second report.

Another factor increasing the importance of child support policy and its connection to welfare policy is the economic vulnerability of single-parent families. About 30 percent of all mother-only families are poor (U.S. Bureau of the Census, 2002), and even father-only families are more than twice as likely to be poor as husband-wife families (Meyer and Garasky, 1993; Cancian and Reed, 2001). While some separated and divorced parents were poor prior to separation, in many other families the children and custodial parent experience a significant drop in economic well-being after separation, while the noncustodial parent experiences a gain in economic well-being (Bartfeld, 2000). The child support system has been increasingly scrutinized to see if appropriate resources are being transferred to children who are economically vulnerable.

These concerns, combined with increasing costs in the welfare system and concerns about potentially negative effects of welfare, have led to changes in welfare and child support policy. Dramatic changes in the public welfare system took place at the federal level with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. PRWORA replaced AFDC with a block grant, Temporary Assistance for Needy Families (TANF), which gives the states considerable freedom in designing their own system of assistance to poor families. Wisconsin had earlier implemented a series of reforms that culminated in an application for a federal waiver to operate a radically different program. PRWORA enabled the state to complete planning and implement the W-2 program without requiring a federal waiver.

The philosophy and structure of W-2 emphasize immediate employment. Under W-2, all participants are placed in one of four tiers of employment or employment experience:

Upper Tiers (no cash assistance)

•   Case Management Services – helps the most job-ready applicants find an unsubsidized job on the open market or improve their current job status.

•   Trial Jobs – provides work experience in jobs for which the state partially subsidizes the employer.

Lower Tiers (cash assistance)

•   Community Service Jobs – jobs assigned by the W-2 agency for which participants receive a monthly W-2 payment of $673.

•   W-2 Transition – is for those least able to work, either because of their own disability or because of the need to care for a child with a disability. Its participants receive a monthly W-2 payment of $628.

In addition to these four tiers, Caretaker of Newborn provides, for parents caring for a child under 13 weeks old, a monthly payment of $673 and exemption from work requirements.

Assistance is also available for child care and health care. Families with incomes up to 185 percent of the federal poverty line, regardless of participation in any of the W-2 tiers, may receive assistance with their child care costs. Child care assistance requires a participant copayment, the level of which is based on family income and on the number of children in care. The copayments are structured

so as not to exceed 16 percent of family income[2] and to be 30 percent lower for child care receiving county-level "certification" than for child care fully licensed by the state. Medicaid ("Medical Assistance" in Wisconsin) eligibility is available for family members in cases receiving a cash payment (that is, cases in the two lower levels of W-2) and other W-2 participants based on income. Even prior to implementation of the statewide BadgerCare[3] program on July 1, 1999, most people who left the lower tiers of W-2 continued to be eligible for Medicaid for up to one year. Pregnant women and children below age 6 are eligible for Medicaid if the family income is less than 185 percent of the poverty line. Most older children are Medicaid-eligible at incomes below 100 percent of the poverty line. Under BadgerCare, all members of families with incomes below 200 percent of the poverty line and without health insurance through an employer are eligible for Medicaid services; those with incomes above 150 percent of the poverty line must pay a monthly premium of 3 percent of family income.

Under AFDC, all child support paid on behalf of welfare recipients in excess of $50 per month was retained to reimburse the government for welfare expenses; the money was split between federal and state governments based on the formula for splitting Medicaid costs. TANF allows states substantial flexibility regarding the handling of child support paid on behalf of families receiving assistance. Most states now retain all child support; others continue to have a $50 per month pass-through. In contrast, in Wisconsin implementation of the W-2 program coincided with a dramatic shift in the interface between the child support system and the provision of public assistance. Under Wisconsin's policy *the full amount of current child support paid is distributed to custodial-parent families and does not affect the level of the TANF check they receive*. In the *W-2 Child Support Demonstration Evaluation, Phase 1, Final Report* (2001), we found that among mothers in the experimental group who received any child support, the average amount received was around $150 per month. Thus, those in a position to benefit from the full pass-through generally receive considerably more than $50 per month.

At least three approaches to the interface between the child support system and policies surrounding public income support to families with children are possible. *First*, the policy could be to provide public support and to collect any private support paid on behalf of the family, using all private support to offset public costs. This was the policy in effect in some cases prior to 1984.[4] This policy may, however, discourage noncustodial parents from paying support, because none of their payments go directly to their children. Moreover, custodial parents and noncustodial parents would have an incentive to cooperate with each other and *not* to cooperate with the formal system: if any support received from a noncustodial parent is hidden from the child support system, all support would benefit the children of a noncustodial parent, and custodial-parent families could keep both public and private support.

These negative consequences might be alleviated by a *second* approach, passing through a portion of the private support to custodial parents. This was federal policy from 1984 to 1996, when $50 per month was passed through to the custodial parent. This policy removes some of the disincentive for

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[2]In 1999, maximum copayments were reduced to 12% of family income.

[3]BadgerCare is a health insurance program for low-income working families which uses funding from the State Child Health Insurance Program and Medicaid programs (under a demonstration waiver) to provide medical coverage to the children and parents in these families.

[4]As early as 1976, U.S. policy was to pass through to the family the first $50 per month collected in child support and to disregard this amount in the calculation of AFDC benefits. However, the provision was not universally implemented until 1984, so prior to that date some cases received no pass-through.

noncustodial parents to pay and increases the incentive for custodial and noncustodial parents to cooperate in compliance, and thus could increase formal payments. While little empirical research has been conducted on the effects of the pass-through prior to the CSDE, anecdotal evidence and ethnographic research (Johnson and Doolittle, 1998) suggest that $50 per month may not be a large enough incentive to encourage cooperation. Research has indicated that some parents strategically collaborate: in exchange for the custodial parent not providing information on the noncustodial parent, the noncustodial parent agrees to pay child support informally, which allows the custodial parent to keep all child support paid (Edin, 1995).

The *third* possible policy would be to ensure that all custodial parents who receive public cash payments receive all of the child support paid on their behalf. This means passing through all child support paid, and disregarding the entire amount in the calculation of cash payments. This policy should remove most of the disincentives for noncustodial parents to pay through the formal system, thus increasing formal payments. The increase in formal payments may lead to increased payments if the formal system can ensure more regular payments or if formal payments are more likely to continue when informal payments would have stopped. The policy may also increase the proportion of children for whom paternity is formally established.

As discussed further below, the third option might also be expected to reduce the need for custodial parents to participate in Food Stamps and Medicaid, to promote earnings among custodial parents, to increase contact between noncustodial parents and their children, and eventually to improve other aspects of children's well-being. Moreover, this policy would be consistent with the way child support is treated among those not receiving cash assistance (where all support is passed through to the family), making the income support system more consistent with the way the working world operates. Another benefit derives from lower administrative costs in the child support system that result from a simpler system. The ultimate fiscal implications of a policy to pass through all child support will depend on the extent to which the beneficial effects compensate for the loss in revenue previously collected from child support payments to families receiving public support. The cost will also depend on the extent to which low-income parents choose to receive TANF payments if they can also retain child support.

The W-2 Child Support Demonstration Evaluation: Design and Data Sources

The state of Wisconsin is unique in pursuing the third option, passing through all child support to custodial-parent families and disregarding the entire amount in the calculation of TANF payments. An evaluation of the pass-through policy in Wisconsin is particularly important because PRWORA allows states to set their own pass-through and disregard policies. Wisconsin is currently the only state choosing to provide a full pass-through and disregard of child support payments. Minnesota currently provides a full pass-through of child support, but the TANF check is being adjusted dollar-for-dollar (no child support is disregarded), so total income is the same for welfare recipients whether child support is paid or not. Connecticut also provides a full pass-through, but only disregards $50 in calculation of the TANF check.

The majority of states have discontinued the pass-through. All states continuing the pass-through are maintaining the $50 level, except Nevada ($75) and Wisconsin (Roberts and Jordan, 2002). The Wisconsin policy offers an opportunity to evaluate the potential advantages and disadvantages of this new approach to child support, and the evaluation could be important in helping other states determine which approach to take.

From October 1997 through June 2002, the child support component of W-2 was operated as a waiver demonstration program with a required evaluation based on the random assignment of participants to experimental and control groups. Cases in the experimental group received all child support paid on their behalf (referred to as a 100 percent pass-through). Cases in the control group received a reduced pass-through when they were in a W-2 Transition, Caretaker of Newborn, or Community Service Job tier, but not when they were in the two upper job tiers.[5] Under this policy, the state gives up its share of current support ($50 per month or 41 percent of payment, whichever is greater) and passes it through to the family. The federal share (the remainder) is retained for the federal government.[6] After random assignment ended in July 2000, all new W-2 cases received the full pass-through. Beginning in July 2002, all cases, including those initially assigned to the control group, receive the full pass-through.

As discussed in Chapter 3, an error in Wisconsin's public assistance information system, Client Assistance for Re-employment and Economic Support (CARES), inadvertently resulted in failure to assign any cases to the control group in Milwaukee County beginning July 9, 1998. As a result, extremely few cases were assigned to the control group in Milwaukee during the July–September 1998 quarter and none in October–December 1998. In order to preserve a balanced design between Milwaukee and the remainder of the state, the analysis sample for Phase 1 of the study (as distinguished from Phase 2, reported here) was limited to Cohort 1, cases that entered W-2 before July 9, 1998. Random assignment started again in January 1999, continuing through June 1999, thus creating a second statewide cohort of cases. An additional cohort consists of non-Milwaukee cases that were assigned during the interim between random-assignment failure and restart.

In this report, the fourth comprehensive impact report, we present findings for the two statewide cohorts of cases. We evaluate the impact of the full pass-through and disregard on outcomes including paternity establishment; child support orders, payment, and receipt; use of W-2 and related programs; and parents' earnings.[7] The report also includes a performance analysis, considering the implementation of the child support demonstration, and the implications of that implementation. The data analyzed for this report were drawn from administrative records contained in CARES and in the child support information system, Kids Information Data System, or KIDS. We also analyze earnings data from the Unemployment Insurance system. More detail on data samples can be found in Appendix 1.

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[5]A third group of cases, though not originally included in the evaluation, also received a full pass-through. In the analysis that follows, as in prior reports, we have combined this other full pass-through group with the experimental group in order to increase the sample size. Both groups are subject to the same policy. Including these cases improves the accuracy of our estimates for those subject to the full pass-through. Comparison of characteristics and outcomes between the experimental and other full pass-through groups show no significant differences, as expected. Throughout the remainder of this report, we use the term "experimental group" to refer to all cases subject to the full pass-through policy.

[6]This makes the formula for the amount passed through as follows: if the noncustodial parent pays from 0–$50 per month, the entire amount is passed through; if the noncustodial parent pays $51–$121, $50 is passed through; if the noncustodial parent pays $122 or more, 41 percent is passed through, because 41 percent of $122 is more than $50.

[7]Some other outcomes evaluated in the past (fathers' contact with their children, child well-being, etc.) require survey data. In this report we use information from administrative records, as no survey was completed with the most recent cohort.

In May 2002 the Department of Workforce Development discovered that, beginning in September 2000, some cases in the control group had inadvertently received the full pass-through. This error is discussed in detail in Appendix 1. Because of the number of cases affected, and the inability to eliminate cases in such a way that the integrity of the original random-assignment design is assured, our primary analysis was done using only data prior to this error. The longest follow-up period available for all cases in both cohorts is the first year following the quarter of entry. This is our period of analysis. Longer-term outcomes are shown in Appendix 3.

Review of Earlier Findings

Because assignment to the experimental (full pass-through) and control (partial pass-through) groups was random, any differences in outcomes between the two groups can be attributed to the difference in the treatment of child support. The CSDE was designed to evaluate a variety of impacts of this new approach to child support. In addition to the direct effects of the new policy on child support paid and received, we have also tried to measure a wide range of potential secondary effects—on mothers' and fathers' employment and earnings, on parents' interactions, and on the well-being of their children. To evaluate these effects we use the state's administrative records and a survey of W-2 families.

In our second report, *W-2 Child Support Demonstration Evaluation, Phase 1: Final Report* (April 2001), we found substantial evidence of the expected direct effects in the first cohort of cases. In 1998, mothers eligible for the full pass-through received about $150 more in child support than did those in the control group. Among those initially in a lower tier (and thus subject to a reduced pass-through if they were in the control group), the difference was about $200. Differences were somewhat smaller, but remained significant, in 1999. Although these differences in amounts of child support received by mothers are due in large part to the mechanical effect of the full pass-through, we also found significant increases in the percentage of noncustodial fathers paying child support. Among those more likely to be new to the child support and welfare systems, the differences were more substantial. The differences remained significant and in many cases increased in 1999. Finally, we also found significantly higher rates of paternity establishment for those in the experimental group in 1998, although the difference declined and was not statistically significant for most groups in 1999.

As expected, we found less consistent evidence of secondary effects, although in selected areas there was substantial evidence that the experiment had the expected impact. We hypothesized that an increase in child support received would reduce the need for cash payments. We found evidence of this effect in 1998, with significant and larger differences among those mothers who received a W-2 cash payment and among mothers with a history of higher child support amounts. We also found some evidence of the expected effects on noncustodial fathers' informal employment: fathers with children in the experimental group appeared to be substantially less likely to have informal earnings.

In other areas we found little consistent evidence of an experimental impact. There were few significant impacts on mothers' employment or earnings, perhaps because increases in child support receipt were not sufficiently large to have such secondary effects, or perhaps because the increase in child support simultaneously helped facilitate employment and reduced the incentive to work. We found few consistent impacts on child well-being—although there was some evidence of fewer health limitations and improved educational outcomes for children in the experimental group. Most measures of noncustodial fathers' relationships with the mother and child revealed few differences among the two

groups. However, we found some evidence of higher informal transfers made by fathers in the experimental group, suggesting that formal and informal transfers are complements.

Finally, while we found significant differences in some of the components of total government costs, we found no difference in overall government costs. Although more child support is passed through to those in the experimental group, not all of this is at the expense of the government, since some consists of additional support that would not have been paid in the absence of the full pass-through. More important, the reform also generated cost savings in other areas, especially W-2 cash payments.

An additional report, *W-2 Child Support Demonstration Evaluation, Report on Nonexperimental Analyses* (March 2002), presented three quantitative nonexperimental analyses, including some national-level data, and compared them to the experimental results.

The results of the quantitative nonexperimental analyses, taken as a whole, support the conclusion that increasing the child support pass-through and disregarding it in the calculation of cash payments will increase the payment and receipt of child support. The experimental analysis suggests that paternity establishment proceeds more quickly for children eligible for a full pass-through. This finding is supported by the nonexperimental analyses, which suggest a positive relationship between pass-through levels and paternity establishment.[8]

Before discussing the evaluation approach in more depth, we begin with a review of implementation of the child support reform.

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[8]The nonexperimental report also included a summary of information on fathers gathered from administrative and survey data, as well as an ethnographic study of African American fathers. The summary of information on fathers suggests that most of these fathers have limited economic resources and often face substantial barriers to providing for themselves and their families. The ethnographic study considers many of the same issues addressed by other parts of the evaluation, but provides the details and depth that allow a fuller understanding of the situations of a group of fathers.

Chapter 2
Program Implementation

Victoria Mayer and Thomas Kaplan, with Andrea Robles

During the program implementation phase covered by this report, calendar year 2002, the child support pass-through policy and the W-2 program in which it was embedded were more stable and mature than they had been during our first implementation study two years earlier. The CSDE and W-2 have been operating since fall 1997. The W-2 agencies, which in Milwaukee were completely new to public assistance program administration when W-2 began, had four to five years to settle into a working routine before we began this second phase of the implementation study. The environment was not perfectly stable—two of the Milwaukee W-2 agencies (UMOS and Y-Works) assumed an additional service region at the beginning of 2002—but the agencies had operated W-2 long enough to fully understand state requirements and develop standard protocols.

We used two primary strategies to study implementation in this second phase. The first strategy involved a survey of W-2 case managers (Financial and Employment Planners, or FEPs) in all six Milwaukee County W-2 regions during April and May 2002. The survey was directly administered by IRP staff in the offices at each region, and respondents took an average of about 30 minutes to fill in their responses on a written form. The second strategy involved semi-structured interviews, conducted primarily during August and September 2002, with staff from child support and W-2 agencies located in two Milwaukee regions and in five smaller counties across the state; the total number of people interviewed was 43. The survey and the interviews occurred during different phases of CSDE policy. During the survey period, all new applicants to W-2 received the full pass-through, but applicants previously assigned to the partial pass-through continued under that policy regime. By the time of the interviews later in 2002, all W-2 participants—including those originally assigned to the partial pass-through group—received the full pass-through.

Our reasons for focusing the survey effort on Milwaukee County were (1) that some 80 percent of W-2 program participants reside in Milwaukee County, so an investigation of Milwaukee will address implementation as most W-2 participants in the state have experienced it, and (2) obtaining a reasonable survey response rate requires repeated visits to W-2 agencies, and we were only staffed to make those visits to the agencies in Milwaukee County. A total of 95 FEPs responded to the survey. Based on repeated queries of W-2 agency managers, we believe that there were 133 FEPs in the county at that time (April–May 2002). The 95 respondents thus represented a 71 percent response rate, although we believe this to be a low estimate because an unidentified number of the nonrespondents managed only a Food Stamp Employment and Training caseload and worked with neither the W-2 program nor the CSDE.[9]

For the Phase 1 study we had conducted a survey of Milwaukee FEPs in July 2000. That survey had a comparable response rate (91 of 125, or 73 percent). Although the two surveys were not intended to be identical, some of the same questions were asked, permitting us to measure changes over the intervening 22 months on some topics. We organize our discussion of the survey responses of FEPs

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[9]By agency and region, the response rates were: Y-Works Region 1: 10 of 14 (71.4 percent); Y-Works Region 4: 17 of 24 (70.8 percent); Y-Works total: 27 of 38 (71.1 percent); UMOS Region 2: 14 of 18 (77.8 percent); UMOS Region 5: 13 of 25 (52.0 percent); UMOS total: 27 of 43 (62.8 percent); OIC Region 3: 23 of 25 (92.0 percent); MAXIMUS Region 6: 18 of 27 (66.7 percent).

under two headings, one covering survey responses that address the CSDE and the full pass-through and one covering survey responses concerning W-2 more generally. Readers who are interested only in the CSDE and full pass-through may wish to skip over the next section of this chapter, which covers FEP responses to questions about the W-2 program in which the CSDE and full pass-through were embedded.

Survey Responses of Milwaukee FEPs: The W-2 Program

Given the busy schedule of FEPs and the rare opportunities to ask them to complete a survey form, we decided to ask general questions about W-2, as well as about the CSDE and the full pass-through. This section describes the responses of Milwaukee FEPs to questions concerning W-2. As noted above, we compare when possible FEP responses in the 2002 survey to responses to the survey administered in 2000.

Experience as a FEP

As might be expected, FEPs responding to the spring 2002 survey had more experience in their FEP role than was the case for respondents to the July 2000 survey: the mean amount of time as a FEP was 2.6 years among the second survey respondents, compared to 1.9 years in the first, a difference that was statistically significant.[10]

Caseload Size

Overall, the total mean caseload per FEP was approximately constant in the two surveys (56.4 in the first survey and 58.2 in the second). However, the composition of their caseloads was quite different: FEPs responding to the second survey had fewer Unsubsidized Job cases that were working or looking for work and receiving no financial subsidy (the mean number of such cases in the first survey was 17.0 and in the second survey was 10.1) but many more Community Service Job (CSJ) cases.[11] The number of full-time CSJ cases per FEP rose from a mean of 22 in the first survey to a mean of nearly 29 in the second survey, a difference that was statistically significant, while the number of part-time (one-third, one-half, or two-thirds time) CSJs also rose from around 1.7 per FEP in the first survey to 2.4 per FEP in the second survey. The number of cases in the Transition tier remained constant over the two surveys (a mean of 13.6 in the first survey and 12.6 in the second, but the difference was not statistically significant), and the mean number of cases receiving benefits as Caretaker of Newborn per FEP also remained approximately constant (about 3.5 per FEP in each survey). These caseloads reported in the survey are generally consistent with administrative data on program participants in various caseload categories. The number of Milwaukee W-2 participants who were coded in administrative data as Community Service Job participants grew from 3,000 in July 2000 to 5,271 in May 2002, and the number of Milwaukee cases in Unsubsidized Jobs declined from 3,107 to 2,230 in that period.

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[10]Unless otherwise specified, all discussions of statistical significance in this chapter are at the .05 probability level.

[11]The question on case management caseloads asked respondents to indicate the approximate number of their cases that were coded CMF (Case Management-Followup), CMS (Case Management-Services), CMU (Case Management-Unsubsidized), and CMM (Case Management-Minor Parent).

Caseload Needs

Although FEPs served more grant-receiving program participants (who presumably have greater needs than do those in the Unsubsidized Job tier), FEPs did not generally report that their cases had more needs in the second survey than in the first. Responding to a series of questions about their caseloads, about the same percentages in both surveys said that at least half their caseloads had weak or problematic work histories, weak English skills, had not graduated from high school, had "little or no desire to work," had chronic physical or mental conditions, temporary personal or family conditions (such as legal obligations) that might interfere with work, or were caring for a family member with disabilities.[12]

Supplemental Services

FEPs in the second survey did, however, report that a higher percentage of their caseload worked with specialists for various needs than had been the case in the first survey. Slightly more than 30 percent of FEPs in the 2002 survey reported that at least half their caseload "works with mental health specialists as part of their treatment plan," whereas just 18 percent of FEPs said that in the 2000 survey. The proportion of FEPs who said that at least half their caseload "works with substance abuse specialists as part of their current W-2 plan" rose from 10 percent in 2000 to 20 percent in 2002. Although low in both surveys, the percentage of FEPs who said that at least half their caseload "works with domestic violence specialists as part of their current W-2 plan" rose from 1 percent in the first survey to 5 percent in the second survey.[13]

FEP Activities

Because the second survey was fielded after W-2 training programs, policies, and practices had stabilized, the 2002 survey asked FEPs for their assessments of some W-2 policies and to report on their daily practice. We asked how much time FEPs spend on a variety of tasks in a "typical month." Table 2.1 shows the results of this question. (The term "customer" is used in the tables because it is preferred by FEPs.)

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[12]The possible response categories were "none," "less than half," "about half," "more than half," and "all." For simplicity, we compare the percentage of respondents in the two surveys who checked "about half," "more than half," or "all," but responses in the two surveys were similar in each of the individual categories as well as for the three categories combined.

[13]The difference concerning reported use of mental health specialists was significant at the .05 probability level; the difference concerning reported use of substance abuse treatment specialists was significant at the .10 probability level.

TABLE 2.1
FEP Activities in a "Typical" Month

Activity	Mean Percentage of Time Devoted to the Activity
Meeting personally with customers	39.9%
Inputting CARES data when customers are not present	15.7
Meeting with other staff	13.7
Other paperwork without customers present	10.7
Talking with customers on the phone	10.3
Working on extensions and decisions not to extend	6.7
Other activities	3.0

Source: Survey of W-2 FEPs in Milwaukee County, Institute for Research on Poverty, April–May, 2002.
Note: Because FEPs also spend time inputting data when customers are present, this table understates the total attention devoted to inputting data into CARES.

As the table indicates, FEPs reported that they spent about half their time in direct contact with their customers, either in person or on the phone. They reported spending about 16 percent of their time inputting data into CARES when customers were not present, about 17 percent of their time on paperwork, including work on extensions or nonextensions for customers nearing time limits,[14] and about 14 percent of their time in meetings with staff in their own or other agencies. Given concerns expressed at the time over the burdens of the extension/nonextension process, we had expected that FEPs might report that process as consuming a higher share of time, although the nearly 7 percent reported is certainly not a trivial investment of effort.

In their time spent talking directly with customers, time limits and the employability plan appear to be the most frequently discussed subjects. Some 93 percent of the FEPs reported that they "always" or "frequently" discussed time limits with their customers, and 94 percent of the FEPs reported that they used meetings and discussions with customers after the initial intake interview to modify employability plans. However, family and other subjects less directly related to time limits and employment came up as well. Table 2.2 shows the percentage of FEPs who reported that they discussed the following family-related issues with at least half their customers.

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[14]The Wisconsin Department of Workforce Development requires W-2 agencies to submit written justifications for customers nearing the end of a time limit both if the agency wishes to extend the time limit and if the agency does not seek an extension.

TABLE 2.2
Family-Related Issues Arising in FEP Discussions with Customers

Issue	Percentage of FEPs Reporting That They Spend Time Discussing the Issue with at Least Half Their Customers
School performance of customers' children	43.2%
Legal concerns faced by customers	42.1
Transportation to child care	33.7
Obtaining a driver's license	27.4
Youth programs for children	26.3
Preventing future pregnancies	23.2
Health care insurance or providers	22.1
Legal concerns faced by other members of customers' family	17.9
Getting married	10.5

Source: Survey of W-2 FEPs in Milwaukee County, Institute for Research on Poverty, April–May, 2002.

The most commonly discussed "family issues" are school performance and legal concerns.[15] Although several national political figures have expressed preferences for the development of TANF-funded programs aimed at increasing marriage among TANF participants, relatively few FEPs in Milwaukee appear to discuss that subject with their customers.

<u>Assessment of Customer Needs</u>

Milwaukee FEPs are in general confident that they know what their customers need to move toward economic self-sufficiency. Some 93 percent of respondents "strongly" or "moderately" agreed with the statement that "I generally know what services my customers need to move toward economic self-sufficiency." About 77 percent "strongly" or "moderately" agreed that "I can generally obtain any assessment I need for my customers," and 91 percent "strongly" or "moderately" agreed with a statement that the assessments they can obtain "are very helpful for determining whether my customers are job ready."

We also asked FEPs about their level of satisfaction with various program resources, services, and training available to their customers. The results are shown in Table 2.3.[16]

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[15]Health care might have been a more common topic of discussion except that Medicaid eligibility in Milwaukee is determined through interactions with county-employed Supportive Service Planners, not W-2 FEPs.

[16]Because this question was asked only in the survey administered in 2002, and not in the survey of 2000, it is not possible to show a comparison over time.

TABLE 2.3
FEP Assessments of Service Availability and Quality

	Percentage Saying Service Is Frequently or Always Available When Needed	Percentage Saying They Are Satisfied or Moderately Satisfied with Service Quality
Adult basic education	84.2%	74.7%
Child care assistance	79.0	80.0
Employment search	74.7	60.0
GED training	71.6	72.6
Work experience	70.5	59.0
Transportation assistance for customers	68.4	82.1
Job readiness/motivational training	66.3	77.9
Employment counseling	63.2	63.2
Mental health counseling	63.2	76.8
Substance abuse counseling/treatment	56.8	75.8
Domestic violence counseling	52.6	71.6
Literacy skills training	51.6	62.2
Child care worker training	49.5	70.5
Housing assistance	48.4	57.9
Certified nurse assistance training	44.2	69.5
Clerical training	41.1	63.2
Parenting/life skills training	33.7	65.3
English as a second language training	28.4	47.4
Physical rehabilitation	27.4	53.7
Industrial work training	24.2	53.7
Transportation assistance for child care	24.2	59.0
Driver's education	23.2	46.3

Source: Survey of W-2 FEPs in Milwaukee County, Institute for Research on Poverty, April–May, 2002.

The least available services appear to be English as a second language, physical rehabilitation, industrial work training, transportation assistance for child care, and driver's education. FEPs are generally at least moderately satisfied with all the services, except that fewer than half of all respondents said they were at least moderately satisfied with English as a second language and driver's education services. Only 50 to 60 percent of FEPs were at least moderately satisfied with housing assistance, physical rehabilitation, industrial work training, work experience, and transportation assistance for child care.

Survey Responses of Milwaukee FEPs: The CSDE and Full Pass-Through

Knowledge of the CSDE

As did the first survey, the survey administered in 2002 asked about knowledge of, and attitudes toward, the CSDE. The same CSDE policies were operating at the time of both surveys: new applicants were all being assigned to receive the full pass-through, but those who had previously been assigned to the partial pass-through, including participants who left W-2 and then returned to the program, continued under the partial pass-through if they received a W-2 grant.[17] Nevertheless, by the time of the second survey, a longer time had elapsed since the state's intensive training on the pass-through in January 1999. Because one question on the survey asked respondents to indicate the year and month in which they became a FEP, we could estimate that over 60 percent of the FEPs responding to the second survey had been hired as FEPs after those intensive training sessions. With that level of relatively recent hires, it is perhaps not surprising that FEP understanding of the pass-through, never so great as would have been desirable for ideal implementation, declined between the two surveys. In July 2000, when asked whether participants who first applied for W-2 after June 1999 would receive all child support paid on their behalf or something less, 45 percent correctly answered the question. In the April–May 2002 survey, the percentage correctly answering the question declined to 26 percent.[18]

Discussions Concerning the CSDE between FEPs and W-2 Program Participants

As was the case in the first survey, the pass-through was not a common subject of conversation between FEPs and program participants. In the 2002 survey, only 13 percent of FEPs reported that they had discussed the pass-through with any ongoing W-2 participant in the last month, and only about a third reported that a W-2 participant had *ever* asked about the pass-through policy. In the 2000 survey, responding to a question that was phrased slightly differently, 24 percent of FEPs reported that they had discussed the pass-through with any participant (new or ongoing) in the past month.

FEP Assessments of the CSDE

The lack of discussion does not appear to stem from more negative perceptions of the pass-through among FEPs. If anything, their assessment of the pass-through was slightly more positive than was the case among the 2000 sample, although the changes between 2000 and 2002 on the relevant questions were not statistically significant. Whereas 44 percent of the 2000 sample said it was completely or somewhat true that "receiving child support payments of more than $50 per month helps CSJ participants to prepare for finding and keeping a job," that proportion had increased to 55 percent in 2002. Similarly, whereas 39 percent of the 2000 sample said it was "completely" or "somewhat" true that "receiving child support payments of more than $50 per month reduces the motivation of CSJ participants" to engage in their program, that proportion fell to 35 percent in 2002. As the last finding indicates, more than a third of FEPs in both surveys had some reservations about the pass-through, and

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[17]By the time of the second survey in April–May 2002, however, the state had announced that the experiment would end in July 2002 and that participants assigned to the partial pass-through group would receive the full pass-through starting on July 1, 2002. Moreover, by the time of the second survey a smaller proportion of the total caseload was subject to the reduced pass-through.

[18]The difference between the percentage of correct respondents in the first and second surveys is statistically significant.

this concern was also expressed in answers to another survey question: in each survey, about 46 percent of FEPs said that "receiving child support payments of more than $50 per month makes sanctions for nonparticipation less effective at promoting attendance."

Interview-Based Research

We also sought to understand program implementation through the use of a series of semi-structured interviews of 29 W-2 staff, 13 child support staff, and one family court commissioner. Most of the interviews were conducted during August and September 2002.

Who Was Interviewed?

Lengthy interviews were conducted with staff members of child support and W-2 agencies located in two Milwaukee regions and in five smaller counties. In each of the W-2 agencies outside of Milwaukee, we interviewed FEPs and the agency administrator.[19] The interviews with FEPs asked them to assess the effects of the CSDE experiment on their case management work and on the record keeping required to document that work. We also asked them to relate to us what they told program participants about child support and what kinds of questions or responses W-2 participants raised in these discussions. We wanted to know how they had handled questions or objections concerning the arrangement of child support payments and what sources of information they could utilize if they did not know the answer to a question. Finally, we asked them to evaluate the importance of establishing a child support order for the families they served.

We asked the W-2 administrators many of these same questions, and we also asked them to discuss the different sources of support utilized by the low-income families that come to their agency and describe what steps participants and agency staff undertake to coordinate the services available from these different sources.[20] Although we found some variation among agencies, the answers provided by administrators and FEPs to the same questions within the same agency were generally complementary if not identical.

In Milwaukee County, we also interviewed W-2 agency Resource Specialists and supervisors of county-employed Supportive Service Planners (SSPs), because these staff play potentially key roles in the implementation of the CSDE in Milwaukee. Outside of Milwaukee, county employees generally administer both W-2 and other support programs such as Food Stamps and Medicaid. In Milwaukee County, the state currently contracts with four private organizations to provide W-2 services in the county's six W-2 regions.[21] Because federal law stipulates that only public employees may determine eligibility for Food Stamps and Medicaid, W-2 participants living in Milwaukee County must see both a county employee and a private agency FEP to establish and maintain their eligibility for W-2 and other

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[19]We interviewed two or more FEPs at each W-2 agency, with the exception of two agencies in smaller counties where we spoke to one FEP and the program administrator.

[20]When possible we interviewed case managers (FEPs) and administrators separately; however, this was not possible in two of the agencies we visited.

[21]Private organizations administer the W-2 program in several other counties; however, they were not included in our study.

assistance programs. Before meeting with either a county SSP or a W-2 agency FEP, Milwaukee residents interested in applying for cash assistance first meet with an agency Resource Specialist. These staff members inform applicants of other resources available at the Job Center and throughout the community. They are also the first to explain the W-2 program requirements to applicants, including the obligation to cooperate with the local child support agency.

We also interviewed county child support administrators. From earlier work in phase one of the CSDE study, we had learned that many child support caseworkers have little contact with custodial parents once paternity is established. W-2 staff, rather than child support caseworkers, were expected to explain the appropriate child support pass-through policy to custodial parents applying for cash assistance. For this phase of the study, we focused our interviews with child support administrators on explorations of how the transition to the full pass-through had affected the processing of child support cases and the agency's workload: had the full pass-through affected the demand for the child support agency's services or the way that staff interacted with custodial or noncustodial parents? We also asked if the transition to the full pass-through had affected courtroom proceedings or the rulings of the judicial officials who hear the child support cases in their county. Finally, to check our findings from the earlier study, we asked child support administrators how custodial parents had been informed of the appropriate pass-through policy, and if they thought that most parents now expected to receive all current child support payments.

We devoted extra resources to interviewing Milwaukee County child support staff, in part because staff members in that agency handle nearly 42 percent of the total caseload of Wisconsin's public child support agencies. Knowing that some Milwaukee County child support staff members interacted with large numbers of custodial parents through telephone conversations or face-to-face appointments, we interviewed nonsupervisory staff as well as managers in that county, including the agency's chief legal counsel, a customer service phone operator, child support caseworkers stationed at the W-2 agencies' regional job centers, and the director and deputy director of the child support agency.

In each set of interviews, our primary objective was to investigate the implementation of the pass-through experiment. However, because an understanding of the larger policy environment helped us assess the impact of the transition to the full pass-through, we also used observations and interviews conducted during a two-week visit to a large job center in February 2002 to provide a fuller picture of the challenges and advantages of implementing the experiment within the structure of W-2. Finally, we interviewed a former president of the Association of Family Court Commissioners in October 2002 to explore how the county family court commissioners had perceived the effects of the change to the full pass-through.

For the most part interviews were tape recorded and transcribed.[22] We entered transcriptions and written notes of the interviewer into a software program designed to facilitate coding and retrieval of qualitative data. We coded the data using categories derived from the goals of the implementation study and topics of related interest raised by respondents. We include a diagram of the coding scheme we used in Appendix 5.

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[22]We asked respondents for permission to tape record the interviews. In one case where the respondents preferred that we not tape the interview, we rely on written notes made by the interviewer.

Staff Assessments of the Full Pass-Through Policy

Staff from W-2 and child support agencies unanimously recommended giving custodial parents all child support payments that the state collects from noncustodial parents. Those who expressed any misgivings about the CSDE did so primarily because the policy did not apply to all W-2 participants until the experiment ended in July 2002.

The assessments were positive despite the fact that the full pass-through affected relatively few custodial parents. As a result of the dramatic decline in cash assistance cases from 1987 through 1997, only a small percentage of low-income families receive cash benefits in Wisconsin. Of those families for whom the pass-through change was potentially relevant, an even smaller number received large enough child support payments to experience a direct economic effect of the change to passing through all child support money collected.[23] W-2 administrators working with poor families in economically depressed rural and urban areas noted that often, when custodial parents are unable to support their children without government support, the noncustodial parent's additional earning capacity is also low. One said:

> You know, we try to stress the importance of getting child support collected, because
> certainly as a percentage of an income it's still significant, if you're low income
> regardless of what it is. But we see the other side of this so much also, with the
> noncustodial parent program, where you've got the same situation, you're [working with]
> more or less resource-bare people, and really needing to work with them in the same way
> a lot of times that you do with your W-2 people. There's no difference. You know,
> everybody needs the same thing. You need a job, you need some skills, it's all the same.
> And the kind of jobs that people are getting are, you know, are on the lower end of the
> employment scale.

Nevertheless, W-2 case managers reported seeing real benefits of the policy change for families receiving regular child support payments. When we asked W-2 case managers and administrators to assess the economic significance of full child support payments for the families with whom they worked, respondents across the state discussed the importance of arranging child support in the new policy environment. Case managers described the strategic choices facing custodial parents who needed to combine multiple sources of support to provide for their families. Many reported that entry-level wages, W-2 cash benefits, or Social Security disability benefits were just too low to support a family even if the parent was receiving Food Stamps and housing assistance. Child support was viewed as necessary both to augment low income levels and to buffer the family's economic situation during periods of transition from work to W-2, from W-2 to work, or from one low-wage job to another. Respondents provided examples of how child support payments facilitated their case management work. Some described how child support payments had allowed participants to purchase items required for starting a new job, or to arrange care for a sick child so they could continue to meet their obligations; others described how child support helped participants to make ends meet while they were waiting for their first cash benefit or looking for a new job.

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[23]In many cases the noncustodial parents of children living in very low income families do not make large child support payments and those custodial parents who do receive large child support payments regularly may be less likely to enroll in the W-2 program.

In short, even when the child support payment was too small to lift a family out of poverty or cover regular monthly expenses like rent or utility bills, several FEPs said that the full pass-through still helped custodial parents to create an important financial buffer against one-time expenses that might have otherwise put the family in crisis or discouraged the parent from taking a new job with greater potential rewards but also initial expenses for clothing or other items. Several FEPs also said that any reductions in the number of participants in financial crisis eased the overall demands on their time and allowed them to concentrate on helping more participants pursue long-term solutions to their economic problems.

Case managers outside Milwaukee were generally more optimistic about the potential receipt of child support, suggesting that many of the custodial parents they worked with would not be in such dire economic circumstances if the noncustodial parent were fulfilling his or her obligation to provide support for the children. This more optimistic assessment of the potential benefits that could be realized from child support payments was consistent with these respondents' higher estimates of the percentage of their customers who received such payments and also consistent with administrative data on child support collections in Milwaukee County and the rest of the state.[24] The difference in assessments might also reflect the different composition of cases being managed: FEPs in Milwaukee work only with women who have had to apply for W-2, whereas case managers in other regions also work with families who receive only Food Stamps, Medicaid, and other noncash benefits

W-2 FEPs and program administrators familiar with AFDC also favored the CSDE policy of excluding child support income from the calculation used to determine eligibility for W-2. They described how the necessity under AFDC to estimate volatile child support payments prospectively when calculating benefit levels (although the potential monthly range was only $0 to $50) had created budgeting problems for families receiving cash assistance and bookkeeping nightmares for income maintenance staff. This problem still arises in the Food Stamp program: income maintenance staff discussed the difficulty of estimating fluctuating child support payments to determine Food Stamp eligibility and benefit levels in an environment in which local public assistance agencies may be penalized for calculation errors. The most negative comment we heard about the full pass-through was that this problem of estimating child support is now more severe than it was before, since potential child support payments are not limited (for cash assistance cases) to $50 per month.

In summary, the respondents we visited in this round of interviews unanimously supported the transition to the full pass-through. They also recommended disregarding child support payments when determining W-2 eligibility. Although the policy change may have had a direct economic effect on only a relatively small percentage of low-income families living in the state and sparked little comment from the press, our respondents reported that the change to the full-pass was important for the families that did receive additional money and that the full pass-through facilitated the work of W-2 case managers.

CSDE Implementation Challenges

The implementation of the CSDE as an experiment was far from flawless. The experiment required that custodial parents applying for W-2 cash assistance be randomly assigned to one of two possible treatment groups. Ideally, the custodial parents would comprehend the consequences of that

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[24]In 2001, 50.9 percent of the fathers connected to mothers on W-2 in Milwaukee County paid some child support; the comparable percentage of fathers paying child support in the remainder of the state was 64.0.

assignment for their families, and noncustodial parents would also be informed of the policy's consequences for their children. In the final report from the first phase of the CSDE, we noted several features of the experiment that had hindered the state's attempts to insure that these conditions were met. In this section we reassess the significance of each of these factors using retrospective accounts provided by our respondents, and we track new developments in these areas that appear to have occurred after the first phase of the study.

Policy Complexity and Staff Understanding

In interviews conducted in the spring of 1998, we found that few Milwaukee W-2 case managers understood or discussed the full pass-through experiment with their cases. However, intensive training sessions were held in January 1999. By March and April of 1999, when we conducted a statewide survey, just over 50 percent of Milwaukee FEPs demonstrated a proficient knowledge of the program. Moreover, the Resource Specialists in these agencies had by that time started to discuss the child support demonstration evaluation and complete the notice of assignment forms with applicants.

        Staff understanding was short-lived, however. When we conducted our recent round of interviews, in the fall of 2002, few case managers at either the Milwaukee agencies or the five other agencies in our sample were able to describe the experiment correctly. Respondents' attempts to recall the details of the program illustrated the memory problems created by the complexity of the experiment. The assignment of applicants to one of three different categories (control, experimental, and not originally eligible for the evaluation) but only one of two different treatment regimes (full pass-through or partial pass-through) appeared to confuse respondents' efforts to describe the appropriate policy treatment that went with each category. Subjecting participants in the control group to two different maximums (either $50 or 41 percent of the amount paid, whichever was larger) also seemed to add to the confusion. Lack of understanding in the fall of 2002 was perhaps not surprising: assignment of new W-2 participants had ended four years earlier, and even those initially assigned to the partial pass-through group would become eligible to receive the full support payment after July 2002. Yet it is likely that the same complexities that hampered respondents' efforts to recall the program also served to complicate their attempts to explain the program to new applicants when individuals were first assigned in the late 1990s, and may also have limited clients' abilities to comprehend and remember the appropriate pass-through policy.

Communicating the Policy to W-2 Applicants

        The state prepared simple brochures that explain each treatment regime, and W-2 agency staff were to give each applicant the brochure appropriate to her pass-through status. Ideally, an applicant would receive the correct brochure, and only that brochure, but the ideal depended on the ability of agency staff to use the CARES system to determine each applicant's pass-through status. According to the 1999 Survey of W-2 FEPs, some 72 percent of the FEPs who were surveyed statewide (but only 54 percent in Milwaukee) could identify where in the CARES data system the assignment code could be found, and 72 percent of statewide FEPs (52 percent in Milwaukee) also knew the CARES code that indicated partial pass-through status. Although the percentages in Milwaukee were lower than in the rest of the state, Resource Specialists in the Milwaukee W-2 agencies were also assigned to discuss the Child Support Demonstration Evaluation and to notify prospective applicants of their pass-through status. As reported earlier, our interviews with Resource Specialists indicated that by early 1999 they were generally familiar with the CSDE and could explain the ramifications of the pass-through to potential applicants.

In addition to providing applicants with the appropriate brochure, W-2 agency staff were to supervise applicants' signature of a form that assigned their child support to the state and that indicated the applicant's pass-through status. The first set of forms distributed by the state, however, failed to discriminate among the different treatments, and some agencies did not receive the revised forms until spring 1999. Thus, although the majority of participants in the W-2 program who applied in 1999 were provided an explanation of the CSDE and notified of their pass-through status, communication of the appropriate treatment regime to those entering the program in late 1997 or 1998 was often not completed as planned.

Even in those agencies where applicants completed the correct form and received the correct brochure from the beginning, our respondents questioned whether program participants read and understood what they were signing. The respondents said that many individuals apply for W-2 only when they have reached a point of crisis, and often appear distracted by the problems that brought them to the agency. The notice of assignment and pass-through brochure are just two among a handful of documents that custodial parents receive at the time of application. Because these forms, unlike some of the other forms, do not specify immediate action that the custodial parent must take in order to enroll in the program, they probably receive less attention.

A further implementation complexity was the timing of the experiment, staged to start at the same time as the W-2 program. The beginning of the W-2 program posed new challenges and required additional effort across the state, but especially in Milwaukee, where the private agencies had to develop new organizational capacities, hire and train case managers in the intricacies of administering the new program and utilizing the CARES database, and enroll hundreds of participants in the new program.

Just as case managers needed to focus on learning the details of administering the new W-2 program, applicants were also faced with massive amounts of new information and new requirements. W-2 case managers and administrators described the difficulty of explaining the experiment to new applicants under these conditions. According to our respondents, if the pass-through policy was not immediately relevant to custodial parents, many of them forgot the details of their assignment status until they started to receive regular child support payments. Retrospective accounts related by W-2 case managers suggest that agencies managing smaller caseloads were better able to prepare custodial parents for the transition to the new program rules before they enrolled. Workers in these agencies described discussions they had with custodial parents who were receiving regular child support payments to advise them how the new pass-through rules would affect their child support if they were to enroll in the W-2 program. The Milwaukee agencies each had to transition hundreds of participants from AFDC to W-2, and these large numbers prevented the Milwaukee case managers from providing the individualized attention to families transitioning onto their W-2 caseloads that smaller counties could often provide.

Observing interactions between caseworkers and participants in one of the Milwaukee W-2 agencies in 2002, we noted that the amount of new information that had to be exchanged at each meeting dropped significantly once participants were enrolled in W-2. If FEPs had reviewed the pass-through policy again in subsequent meetings, participants might have developed a better understanding of the treatment group to which they had been assigned and its potential ramifications for their economic situation. Case managers in the other five counties we investigated, where FEPs handled other programs in addition to W-2, reported that they discussed child support regularly with the participants they supervised. The Milwaukee FEPs whom we interviewed, however, reported that they rarely discussed the pass-through in subsequent meetings unless participants were sanctioned for not cooperating with the child support agency or raised the issue themselves.

Coordination Challenges in Milwaukee County

It may be that the greater division of labor in implementing the CSDE in Milwaukee County contributed to the communication problems. During the initial phase of the experiment, workers from three different agencies had to coordinate their efforts to implement the CSDE. W-2 agency FEPs and Resource Specialists were supposed to inform applicants and participants about the pass-through treatment applicable to their families; child support workers (from the county Department of Child Support Enforcement) were supposed to bring participants into cooperation with the formal child support system or request a sanction when they could not; and county economic support workers (from the county Department of Human Services) were charged with entering and removing sanctions that prevented custodial parents from enrolling in public assistance programs should they fail to cooperate with the local child support agency. County economic support workers were also responsible for budgeting child support income to determine Food Stamp eligibility and benefit levels.

Moreover, in the other counties we visited, where public caseworkers managed both W-2 and economic support programs, FEPs had greater access to information that was stored in the CARES and KIDS databases. FEPs in the private Milwaukee agencies were allowed access to only a limited set of CARES screens. Although the state required W-2 agencies to have procedures by which FEPs would have direct access to KIDS, our interviews indicated that FEPs in Milwaukee did not know they had this access and instead requested KIDS information from the county worker who managed the economic support programs for participants on their W-2 caseload. In most counties, the consolidation of economic support and W-2 program case management by the same agency and often the same worker may thus have facilitated the implementation of the experiment.

Some consolidation of responsibilities occurred in Milwaukee County in 2002, when county economic support workers rather than W-2 agency Resource Specialists were given responsibility to assure that program participants completed the notice of assignment form. W-2 agency Resource Specialists still notify applicants that they are required to cooperate with the child support agency to establish a support order, but they no longer discuss the child support pass-through policy before individuals start the application process.

Although each of the Milwaukee W-2 agencies contains one "outstationed" county child support paralegal worker employed by the county Department of Child Support Enforcement, these staff have from the beginning of the CSDE played little role in that program. All applicants for W-2 who do not have a child support case established for their children are scheduled to meet with the outstationed child support worker, who specializes in collecting information and preparing the paperwork needed to start the paternity establishment process. The child support paralegals at the W-2 offices can also check the KIDS system to see if a child support payment has been received for a given month and can provide forms that parents must complete to establish a child support order. However, like the paralegals from the paternity establishment unit at the main Milwaukee County child support office, the paralegals stationed in W-2 agencies reported that they refer questions about many aspects of the child support process unrelated to paternity establishment to the child support agency's customer service telephone staff.[25]

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[25]The customer service telephone staff member we interviewed was quite knowledgeable about the details of the CSDE.

With the exception of one of the more experienced workers, the paralegals housed in the W-2 agencies reported that they did not discuss the pass-through policy with the custodial parents they saw, both because they thought it was premature if the woman had not yet established paternity, and because they were unsure how to check her pass-through status. Some of these staff did not know that the experiment had ended for new W-2 applicants, although the most senior worker we interviewed was quite familiar with CSDE policies and mentioned discussing the full pass-through with the small number of participants who still expected that the state would keep most of the child support money.

Participant Understanding of Their CSDE Assignment

The Survey of Wisconsin Works Families, conducted in 1999 and 2000, included two questions designed to assess parents' understanding of the CSDE policy that applied to their child support cases.[26] Only 26 percent of mothers surveyed in 1999 correctly answered both questions, and there was no increase in knowledge between 1999 and 2000.

That survey conducted in 1999 and 2000 indicated that understanding of the CSDE was generally low among custodial parents. However, case managers and administrators interviewed in 2002 suggested that parental knowledge ran the full spectrum from substantial understanding (most likely to be the case among those who had already received some W-2 payments and child support) to complete indifference (custodial parents who did not expect the noncustodial parent ever to make child support payments, perhaps owing to jail/prison time, chronic unemployment, or death). Interviews with staff from W-2 and child support agencies also suggest that many custodial parents first appreciated the treatment regime that would apply to them when they began to receive child support payments while assigned to a W-2 payment position. We constructed the typology illustrated in Table 2.4 to characterize the possible relationships between mothers' expectations and treatment status among those custodial parents on W-2 who had some expectation that the noncustodial parent would make child support payments in the future.

Table 2.4 identifies four key categories of custodial parents in this group. The rows of the matrix divide mothers on the basis of their expectations about whether they would receive the full amount of child support paid or only some of it should the noncustodial parent begin to make child support payments to the state. The columns of the matrix represent the pass-through assignment of the custodial parent.

The matrix thus shows four groups:

1.   Custodial parents assigned to the full pass-through who expected that they would receive all child support paid on behalf of their children.

2.   Custodial parents assigned to the full pass-through who expected to receive up to $50 per month.

3.   Custodial parents assigned to the partial pass-through who expected to receive all child support paid on behalf of their children.

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[26]The questions asked "if you were in a W-2 assignment where you received a check from W-2, would you receive all of the current child support paid by [name of the focal child's] father or would the state keep some of it?" and "if you were not receiving a check from W-2, would you receive all of the current child support paid by [name of the focal child's] father or would the state keep some of it?"

4.   Custodial parents assigned to the partial pass-through who expected to receive up to $50 per
        month.

TABLE 2.4
Typology of Incentive Expectations

		CSDE Pass-Through Assignment	
		Full Pass-Through Group	*Partial Pass-Through Group*
Mothers' Child Support Expectations	*Expect to receive all child support collected*	1. Accurate expectation of larger child support pass-through • Pass-through matches mothers' expectations • Expectations fulfill experimental conditions	3. Inaccurate expectation of larger child support pass-through • Pass-through less than mothers' expectations • Expectations do not fulfill experimental conditions
	Expect to receive up to $50/month	2. Inaccurate expectation of smaller child support pass-through • Pass-through surpasses mother's expectations • Lost incentive benefit for the experiment	4. Accurate expectation of smaller child support pass-through • Pass-through matches mothers' expectations • Expectations fulfill experimental conditions

As can be seen from Table 2.4, custodial parents in two of the four categories (1 and 4) would have held expectations that were consistent with the treatment their case should receive if child support were collected, whereas parents in the other two categories (2 and 3) would not have. Custodial parents assigned to receive the full pass-through but who thought they would receive only $50 (Category 2) and those assigned to the partial pass-through group who had expected to receive all of the child support money collected (Category 3) would fail to understand the incentives that applied to them, creating a problem for the experiment. Category 3 participants would also create problems for caseworkers, who would find it difficult to explain why these participants were assigned to receive only part of their court-ordered child support payment. Because Category 3 participants would be more likely to contact the child support agency when they started to receive child support payments that did not match their expectations, reports from child support workers do not allow an accurate estimate of the percentage of custodial parents in each of the categories.

We re-analyzed the data from the 1999 Survey of Wisconsin Works Families for mothers who reported that they did not receive child support in 1998 to estimate the percentages of mothers who would fit into each of the four categories, based on their responses to this question:"If you were in a W-2 assignment where you received a check from W-2, would you receive all of the current child support <child's name> father paid or would the state keep some of it?" We report our findings from this analysis in Table 2.5, including an additional row to show the large number of respondents who answered "Do

Not Know" to this question.[27] As can be seen from the table of percentages, approximately 19% of the mothers assigned to receive the full-pass through expected that they would receive all current child support collected when surveyed in 1999, approximately 42% thinking that the state would keep some, and 39% answering that they did not know. This data suggests that there was a large lost incentive benefit for the experiment at that time. A larger percentage of mothers assigned to the partial pass-through group, approximately 52%, accurately expected a smaller child support pass-through. These survey results allow us to estimate the percentages of mothers in the different categories when they were surveyed in 1999.

Table 2.5
Child Support Expectations of Mothers Who Did Not Receive Child Support in 1998
by CSDE Pass-Through Assignment (February-July 1999)

Expectation as Indicated by Survey Response:	Full Pass-Through Group (N=682)	Partial Pass-Through Group (N= 702)
"Would Receive All"	19.2%	12.3%
"State Would Keep Some"	41.9	52.4
"Do Not Know"	39.0	35.3
Total	100.0	100.0

Source: 1999 Survey of Wisconsin Works Families.
Note: Percentages are weighted.

The Full Pass-Through and Participant Cooperation with Child Support Requirements

Respondents were mixed in their assessments of the effectiveness of the full pass-through in increasing the willingness of custodial parents to cooperate with the formal child support system. Most FEPs whom we interviewed and the child support workers stationed in W-2 agencies in Milwaukee County thought that participants were more concerned about the possible loss of benefits that could result from being sanctioned for not cooperating with the child support agency than the possible advantages they might realize from the transition to the full pass-through.

The relationship between custodial parents and W-2 case managers is complex, but FEPs generally view a custodial parent's provision of child support information about the noncustodial parent to be part of the information that agencies must gain to effectively serve clients. The CARES computer system requires that custodial parents provide detailed information about their financial situation, household composition, family relationships, health, education, job goals, and employment history. A

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[27]Mothers assigned to receive the full pass-through who did not know that they would receive all current child support paid on their behalf failed to appreciate their full incentives, but they did not seem to us to be equivalent to mothers assigned to the full pass-through who expected to receive only some of the money collected. Hence, we have shown these mothers separately.

comment by one W-2 administrator illustrates how some view the collection of information about the noncustodial parent from the custodial parent as a natural extension of the process of information exchange:

> [Child support] fits with W-2 because we are working with families. I think … it fits because … we are trying to, you know, the information we need about families, we need to find out…who the fathers are, who the mothers are, so I think it fits into the grand scheme of things as far as what we're looking for. Because then, what we can do is… help those customers more than they could on their own in pursuing child support … if we know who to pursue.

Not all custodial parents are eager to cooperate with child support requirements. We did not ask FEPs to estimate the percentage of their participants who were reluctant to cooperate, but child support administrators estimated that between 5 and 25 percent of the child support agencies' public assistance cases consisted of custodial parents who were reluctant to pursue child support.[28] When asked to tell us more about discussions with custodial parents who did not want to pursue a formal child support order, W-2 case managers gave short accounts of their interactions with these parents, describing the concerns raised by the applicants and what they as case managers said to address these parents' concerns. We were able to identify two different sources of reluctance, and two accompanying types of case management response, in our interviews with W-2 staff members:

1. With women who were considered to be reluctant to pursue formal support because they did not want to have a relationship with the noncustodial parent, case managers followed one of two courses. If the resistance appeared to be related to issues of domestic violence, case managers referred the women to counseling services and discussed the option to apply for the "good-cause" exemption allowed under federal law if identifying the father could place the mother or children in danger. If domestic violence did not appear to be an issue, managers told the custodial parent that she had to put her own feelings aside.

2. Much more common, especially in Milwaukee, were interactions in which mothers said that they were reluctant to pursue child support because they did not want to alter their relationship with the father who, they reported, was already helping to care for the children. Case managers noted that applicants in this group often ask them why they "have to turn him in if he is helping me." In general, we found that case managers responded to this second type of objection with one or a combination of three strategies:

    • FEPs emphasized the need for financial security in an environment in which W-2 was time-limited. The custodial parent would need 18 years of support for each child, and W-2 would provide support for, at most, five years for all the children. Although the father might be cooperating with the mother for the present, only a court order could assure the permanence of that financial arrangement until the child became an adult.

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[28]These estimates varied by county: the high of 25 percent was reported by administrators in Milwaukee County and the low of 5 percent was reported by an administrator from a less urban county.

- FEPs emphasized the required nature of the custodial parent's cooperation, thereby absolving her to some extent from the decision to involve the father in the formal child support system.

- FEPs suggested that if the father was already working with the mother, he should not be upset that she was cooperating because she could choose to redistribute all or part of the formal child support payment back to him.

<u>The Full Pass-Through and Relations between Child Support Agencies and Noncustodial Parents</u>

As noted in the final report for CSDE Phase 1, with the start of the new program noncustodial parents paying support were initially sent a general notice informing them of the change in child support policy. Although this notice described the experiment generally, it provided no information about specific group assignments. Starting in June 1998, noncustodial parents whose children were assigned to the full pass-through began to receive a mailing telling them of their status; noncustodial parents whose children were assigned to the partial pass-through received no specific information, because the treatment of their child support payments depended on whether or not the custodial parent received a W-2 grant (was in one of the two lower tiers).

Noncustodial parents could thus have known about their pass-through status either from the letter (if they were in the full pass-through group) or from the custodial parent. Organizing the flow of information between the child support agency and noncustodial parents through custodial parents may be a reasonable response to the difficulty of initiating and maintaining direct contact with noncustodial parents who, unlike custodial parents receiving public assistance, are not required to make regular visits to a local government agency to maintain eligibility for public benefits. But respondents whom we interviewed also noted some costs of this form of indirect communication. One W-2 administrator suggested that noncustodial parents might harbor less bitterness toward the child support agency if government agents could talk with them directly and convince them that "they were interacting with a system and with people who were trying to help the family."

Improved direct communication with the noncustodial parent might also reduce the stress experienced by the custodial parent who has been pressed into service as a go-between. A child support administrator who raised this issue described how she had her staff encourage custodial parents to bring noncustodial parents with them to the agency, so that case managers can explain program requirements and processes to both parents simultaneously. As did child support administrators in other counties, she also pointed to the value of the relatively new administrative procedure for stipulating paternity at the hospital when a child is born. This procedure not only may reduce tension between the parents about identifying the father, but can also be viewed as facilitating direct communication between the father and the child support agency.

We asked respondents whether they thought that the change to the full pass-through was an important factor in increasing the willingness of noncustodial parents to pay child support. Apart from the small subset of our respondents who also provided case management services for participants in the Food Stamp Employment and Training or Children First programs (which mostly or entirely serve noncustodial parents), few of the W-2 case managers or administrators we talked to had much contact with noncustodial parents. Several child support administrators identified a variety of factors they thought affected willingness to pay: some believed that the legal obligation to pay support was enough to cause most noncustodial parents to pay, some believed that the way the noncustodial parent felt about the

custodial parent was an important determinant of willingness to pay, and some thought that the transition to the full-pass through also affected willingness to pay. Some interview respondents also focused on ability to pay. Those in counties where unemployment rates were rising at the time of our interviews were most likely to talk about the importance of the demand for unskilled or semiskilled workers in the local labor market. All of our respondents who worked in counties that had Children First programs or other employment programs for noncustodial parents expressed their support for these programs.

Effects of the New Financial Relationships of W-2 and the Full Pass-Through on the Child Support Process

   With the transition from AFDC to W-2, many women became eligible to receive all of the child support collected on behalf of their children, either because they stopped receiving cash assistance or because they were assigned to receive the full pass-through. The receipt of child support payments also took on a new urgency, for reasons discussed above. Child support administrators reported large increases in the volume of calls from women interested in finding out about the status of their cases. Many noted that the burst of increased demand for services from custodial parents died down as these parents became less optimistic about their chances of receiving the full amount ordered, but others said they had added staff to address the higher demand.

   The largest change occurred in Milwaukee County, where child support administrators and the agency's chief legal counsel described a lasting shift in the way that agency staff interacted with custodial parents as a result of the change in the pass-through policy. According to these respondents, child support staff, custodial parents, and some of the family court commissioners viewed the full pass-through as affording parents a larger voice in the processes of establishing and enforcing support orders. Under AFDC, custodial parents rarely came to court, but under the new regime, respondents reported, women began to take a much more active interest in their child support cases because of a new sense of ownership generated by the transition to the full pass-through. Custodial parents were much more likely to appear at court hearings, and their increased participation required some adjustments on the part of agency staff, who were used to functioning with little input from the families for whom they arranged the transfer of support. Mothers' increased participation often included efforts to expand the discussions to include visitation and issues regarding their interactions with the noncustodial parent, in addition to the more formulaic calculation of support levels. This change required more attention from child support staff, but it was also thought to facilitate the transfer of important information and may have improved relationships between the child support staff and many of the custodial parents with whom they worked.

   Although most custodial parents were perceived to be much more supportive of the child support agency's efforts to establish support, Milwaukee County child support administrators and legal counsel also reported that a sizable minority, estimated at between 15 and 25 percent, were not. Women in this group interpreted the new sense of ownership afforded by the full pass-through policy as providing them license to ask the child support agency and the family court commissioners to refrain from setting a new order or enforcing an existing one, or perhaps to incorporate a preexisting, informal support arrangement worked out by the parents themselves. These requests met with resistance from the child support agency staff, in part because their federal mandate requires them to establish and enforce support orders for children whose families are receiving government assistance. Some family court commissioners, however, proved to be more sympathetic. Although the commissioners were generally thought by our respondents to order support if the women were receiving cash assistance, our respondents believed that these commissioners did so grudgingly and only after they forced the agency lawyer to specify that it was necessary, despite the custodial parent's objection, because she was receiving cash assistance or a child

care subsidy. The agency was sometimes less successful in securing order establishment or enforcement against the objections of the custodial parent if the family was only receiving Food Stamps. One child support official who related these interactions suggested that this difference might result from the statutory difference between Food Stamps and other forms of assistance.[29]

Attempts by a minority of custodial parents to exercise greater control over their social relations within the child support system may have required more effort from the agency to meet its performance standards for current collections, but our respondents in the agency still endorsed the policy change, noting its economic importance for the families who receive child support and its greater significance for the relationship between the department and those it serves:

> I would recommend the pass-through. … It's been a transition period. …but I think it's a good thing for the relationship between government and its people. It's made… our department, in general, better at what we do, more sensitive to individuals, more realistic, less paternalistic. (Chief Legal Counsel, Milwaukee County Department of Child Support Enforcement)

The findings for Milwaukee prompted us to ask if these effects of the pass-through were also present, though less apparent, in other counties in which recipients of W-2 cash payments represented a much smaller percentage of the larger population served by the county child support agency.[30] Analyzing the content of our interviews with child support administrators, we identified several different patterns in the other counties in our sample.

Pattern 1: Subtle Change in Child Support Practice

Although no other respondents reported the dramatic changes in the character of their interactions with custodial parents that we heard about in Milwaukee, we noticed that some administrators expressed ambivalence about sanctioning custodial parents who were reluctant to arrange the flow of child support through the child support agency but who appeared for their appointments. We did not interview these administrators before the experiment, and so we cannot attribute this ambivalence to the transition to the full pass-through. It would, however, be consistent with a change in the perceived purpose of their agency from collecting child support to reimburse the state to collecting support for the families of noncustodial parents.

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[29]The Wisconsin statutes require parents who participate in the W-2 program or receive a Job Access Loan, child care subsidies, or Food Stamps to cooperate in good faith with efforts directed at establishing paternity of a minor child and obtaining support payments. The statutes also require W-2 recipients and recipients of job access loans and child care subsidies–but not of Food Stamps–to assign to the state any child support paid on behalf of a resident minor child.

[30]In September 2002, the Milwaukee child support agency managed 141,376 child support cases, and 7,928 of those families (or 5.6 percent) received a W-2 cash payment. Child support agencies in the remainder of the state managed 198,473 child support cases, of which 2,065 families (or 1.0 percent) received a W-2 cash payment. These percentages are only approximate estimates, in that they do not adjust for the number of families who are represented by more than one child support case. The child support caseload totals were reported by the Wisconsin Bureau of Child Support.

Comments by Roger LeGrand, former president of the Association of Family Court Commissioners, supported our understanding that the pass-through had affected the self-perceived mission of the child support workers, at least in some local agencies. The commissioner described how the transition to W-2, including the introduction of the full pass-through, coincided with a shift in the sense of purpose exhibited by local child support agency representatives from a concern with collecting revenue for the state to a focus on addressing the needs of children. For him, this was a decided improvement. He also pointed out that this change in mission was especially important because it came at a time when larger policy changes had increased the economic vulnerability of poor children living with a single parent. At first he told us that the transition to the full pass-through had not altered the way that he ran his hearings, but, after further reflection, he told us that he thought he was more willing to entertain alternative support arrangements suggested by parents because the state no longer had a direct financial interest in the child support orders.[31]

Pattern 2: No Change in Child Support Practice

The next set of child support agency respondents accorded little significance to the shift from AFDC to W-2 in their work at the child support agency. These administrators could be further divided into two categories. Either they and their child support case managers already addressed a larger agenda of issues with their participants before the transition to W-2, or they continued to view their agency's work in relatively narrow terms, as they had done before. Administrators who expressed a broader perspective on their work and on the process of setting a court order encouraged custodial parents to attend the hearings to set support, whereas those with a narrower focus suggested that it was unnecessary for custodial parents to attend unless they disagreed with the agency's position. Both groups of administrators noted the importance of the relationship between the custodial parent and the noncustodial parent, including the character of the negotiations to resolve visitation or custody issues, for the payment of child support orders, but they differed in how they thought the state should assist in those negotiations. Administrators who expressed a broader perspective on the work of their agency described these negotiations as needing to take place within the context of the hearings that the agency had scheduled to establish the child support order, even though the agency attorney did not participate in this part of the discussion, whereas administrators with a narrower focus thought these negotiations should be facilitated in a separate hearing or mediation process requested by the parents.

Pattern 3: A Renewed Focus on Parents' Financial Responsibility

The final category of child support administrators interpreted the transition from AFDC to W-2 as signaling a philosophical change with important ramifications for their agency. For these respondents, the transition constituted a shift in the responsibility to provide economic support to poor families from public to private actors. These respondents saw their work as an important part of that process, emphasizing their role in assuring that the noncustodial parent assume responsibility for supporting his/her biological children: "So in some respects, apart from Medical Assistance cases only, the type of assistance becomes a non-issue, the point is to transfer the responsibility back on the noncustodial parent from the state."[32]

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[31]Wisconsin no longer retains current child support payments under the full pass-through policy. However, because the state share of support that is passed through is included as part of the state's TANF MOE (maintenance of effort) obligation, the state maintains a financial interest in child support orders.

[32]This was the comment of a child support administrator in a county outside of Milwaukee.

This group of administrators drew a clear distinction between their public assistance and their non-public-assistance cases. One respondent approvingly described the use of new administrative procedures that allow both parents to take a more active role in arriving at mutually acceptable care and support measures for their children, but objected to court stipulations that reduced cash child support obligations below the standard guidelines when a custodial parent was receiving government support. Respondents in this group argued that if a family is receiving public assistance, then more private income should be coming into the home. They suggested that because these custodial parents have chosen to involve the state in their lives, the parents must also accept the intervention by the child support agency to establish and regulate the flow of private money from the noncustodial parent to the child.

We divided child support administrators into different groups in order to describe the broad patterns we observed, but we also found that administrators sometimes shifted positions or held multiple positions depending on the question we asked. We interpret the combination or movement among these different positions within a single interview as an indication of the complexity of trying to serve hundreds or thousands of families with different family dynamics through a single government program.

We asked child support administrators to discuss the interactions that take place in the courtroom as well as those within their agency. Child support agencies are required by federal mandate to seek a support order if a family is receiving government assistance, but respondents suggested that family court commissioners and judges are able to exercise more discretion than child support staff when they set child support and custody arrangements. Just as we found differences among child support agencies, accounts of court proceedings provided by child support administrators also revealed variation in court rulings across counties and among officials within a single county. It appeared that some judicial officials always followed the child support agency's recommendation to set or enforce a support order, but that others might decide to disregard the agency's recommendations at the request of the parents.

Potential Lessons for Other Jurisdictions Interested in Implementing a Full Pass-Through

Several findings of this CSDE implementation study may offer lessons for other states that wish to implement a full pass-through.

1. The change to the full pass-through was generally popular among staff in Wisconsin TANF (W-2) and child support agencies. Local TANF staff reported that even relatively small increases in child support buffer custodial parents against one-time expenses that might otherwise put the family in crisis or discourage a parent from taking a new job with greater potential rewards. Staff also said that the full pass-through helps the overall operations of TANF agencies by reducing the number of participants coming to the TANF agency in financial crisis. Local child support officials believed that, because the full pass-through increased the utility of child support for TANF recipients, the policy was consistent with a broad shift in U.S. social policy from public to private economic support for poor families.

2. Policy simplicity is likely to promote successful implementation. A simple policy, such as a 100 percent pass-through, reduces the challenges of communicating the new policy to staff and to prospective program participants and helps TANF program participants assess the significance of the new policy for their families. Passing through 100 percent of child support payments also allows agency staff to inform noncustodial parents that their children will receive all the child support they pay, regardless of whether the custodial parent is receiving government assistance. By fostering direct communication between child support agencies and noncustodial parents, the pass-through may reduce

negative attitudes toward formal child support among noncustodial parents and diminish the need for custodial parents to serve as intermediaries.

3. Monthly child support payments for a particular family can fluctuate greatly. The exclusion of child support income under a full pass-through policy from calculations used to determine eligibility for and benefits in TANF reduces budgeting problems for families and administrative difficulties for TANF agencies. Without such an exclusion under a full pass-through policy, families could be without TANF eligibility in months when they also receive no child support.

4. Child support pass-through policies for families receiving TANF cash assistance are best implemented when local child support and TANF agencies communicate closely with each other. For optimal operation, staff in both agencies need to have full access to the child support and TANF electronic databases and to avail themselves of this access. If, as in Milwaukee County, direct access to some TANF files is deemed to be inappropriate for case managers employed by private nonprofit and for-profit TANF agencies, the stationing of county employees with full data access at the TANF agencies can be useful.

5. A full description of the pass-through policy should again be given to TANF participants after the initial TANF application and placement process have been completed. Doing so will permit participants to receive the description at a time when less new information is competing for their attention.

6. Movement to a full pass-through may influence the perceptions of child support and family court staff concerning the basic purpose of their work. Under a full pass-though policy, some child support and court staff may be more likely to think of their work as primarily directed at providing economic support for custodial parents and children and slightly less likely to think of their work as aimed primarily at reducing governmental public assistance expenditures. Some custodial parents may also be more aggressive in arguing for reduced or no court orders, or court orders that include factors other than the amount of financial support.

Chapter 3
Cohort 1 and 3 Comparative Analysis

Origin of Cohorts and Implementation Issues

The CSDE and random assignment began with the implementation of W-2 in the fall of 1997. Beginning July 9, 1998, an error in the CARES system inadvertently resulted in failure to assign any cases to the control group in Milwaukee County. Because the implementation study had found that both workers and participants notably lacked understanding of the pass-through policy, this situation was viewed as an opportunity to analyze outcomes for a group of cases that had entered after W-2 and the pass-through policy were more established. Additional training about the pass-through policy was provided to counties, and random assignment was restarted in January 1999, continuing through June 1999. Thus three cohorts of cases were created. The first cohort, cases entering prior to July 9, 1998, has previously been analyzed using both administrative and survey data. The second cohort, those cases that were assigned during the interim between the failure of random assignment and its restart, includes only cases from outside Milwaukee County, and thus is of limited use for analysis.[33] Cohort 3 is the second statewide cohort, and includes cases assigned during the first six months of 1999. Only administrative data are available for Cohort 3, as those cases were not included in the survey. The second CSDE report, *W-2 Child Support Demonstration Evaluation, Phase 1: Final Report* (2001), presented findings for the first cohort.

In addition to entering W-2 during different stages of implementation, Cohorts 1 and 3 also vary significantly demographically. Cohort 3 cases tend to have less experience with the welfare system or with the pre-TANF pass-through policy, and also tend to be less disadvantaged. Early comparisons of the two cohorts showed several differences in outcome patterns, and indicated that these differences may not be fully explained by demographic differences. In this report, we use more rigorous statistical methods to compare the cohorts and to control for demographic differences. Thus, we consider two sets of comparisons. We compare outcomes for the experimental and control groups within each cohort to evaluate the effects of the experiment in each period. We also compare the effects in the first cohort with the effects found in the later cohort.

Hypothesized Effects of Pass-Through Policy

Our primary focus is evaluating the effects of the experiment within each cohort. Our basic hypotheses are the same for both periods, and have been discussed in detail in previous reports (see, for example, *W-2 Child Support Demonstration Evaluation, Phase 1: Final Report* [2001]). To summarize, within each cohort the full pass-through and disregard of child support will have a direct, mechanical effect, increasing the amount of child support received by mothers and decreasing the amount of support retained by the government. In addition, the policy change has a direct effect on the incentives for fathers to pay support, and for mothers to pursue support orders. Thus, if they respond to the policy change, we hypothesize that fathers will be more likely to cooperate with paternity establishment, pay child support, and pay more support. We also hypothesize that mothers will be more motivated to establish paternity, and therefore to cooperate more fully with child support enforcement efforts in this regard.

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[33]Results for Cohort 2 are shown in Appendix 2.

Beyond these direct effects, the full pass-through is expected to have a set of indirect effects. Because these depend on behavioral response to the changes in child support paid or received (which is the expected response to the policy change), they are likely to be harder to detect, especially in the short term. We expect indirect effects on participation in public assistance programs, mothers' earnings and income, and fathers' earnings. For some of the outcomes we evaluate, the expected impact of the policy change is fairly clear. For example, if fathers face fewer disincentives to pay formal child support, we expect they will work more in the formal sector and less in the informal sector. In other cases the expected effects are more ambiguous. For example, while higher child support received may increase a mother's ability to make investments that allow her to work, it is also possible that the increase in unearned income will reduce her need to work.

Potential Differences in Effects between Cohorts

In addition to evaluating experimental impacts within each cohort, we also consider the difference in experimental effects between the early- and later-entering cohorts. There are at least five reasons why we might expect differences in the measured effects of the experiment in the two cohorts. First, we hypothesize that the direct effects of the treatment may be larger in the later cohort given improvements in implementation. A key motivation for restarting random assignment was the hope that additional training of case workers in Milwaukee, and the increased stability of the general welfare policy environment, would increase the chance that workers would understand and explain the experiment to clients. We hypothesize that this increased understanding should increase cooperation with paternity establishment, establishment of child support orders, and, to the extent the knowledge was shared with noncustodial parents, the payment and, therefore, receipt of child support.

The increased direct effects may also lead to larger indirect effects, though this varies across domains. For example, the experiment increases the incentives for fathers to work in formal employment, so we hypothesize that fathers of children in the experimental group may have higher formal earnings (and lower informal earnings). We expect that improved implementation and understanding of the new policy in the later cohort may increase the effect on father's earnings.[34] In contrast, consider mothers' receipt of cash assistance. On the one hand, the full pass-through is expected to help mothers in the experimental group make a transition to self-sufficiency and leave welfare more quickly. On the other hand, if mothers understand the experiment and realize that if they are in the experimental group they can receive child support *and* cash benefits, they may be less motivated to leave welfare. Thus, a more complete understanding of the experiment could be associated with a smaller effect in the later cohort for some outcomes.

Second, although an increased understanding of the *experiment* is expected to increase the direct effects, increased awareness of the full pass-through and disregard may reduce effects if it causes the staff of W-2 or child support agencies, participants, or others, to treat all cases as if they were subject to the full pass-through. This "contamination" of the control group may be more likely for the later cohort, not only because of the passage of time, but also because the later cohort included a smaller control group (only new cases for a six-month period were randomly assigned) and followed a period when no cases were assigned to the control group in Milwaukee. In a context when many workers had little

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[34]We are able to evaluate the effect of the experiment on formal earnings for both cohorts. Our measure of informal income is drawn from the survey, and thus is available only for the first cohort.

interaction with control-group participants subject to the reduced pass-through, it may be that the system reacted as if the full pass-through were universal. The implementation analysis reported in Chapter 2 suggests this may have been the case at the time field work was conducted in 2002. To the extent that *both* control- and experimental-group members in the later cohort faced a system with a new orientation toward child support and welfare, we might expect to see smaller effects of the experiment in the later cohort.

A third reason that effects may differ across cohorts relates to differences in the initial characteristics of the two groups. For example, the original CSDE found larger experimental effects among cases with less welfare history. The more recent cohort, by definition, had few individuals with substantial recent welfare history. Thus, even if the effects were the same for an individual with the same initial characteristics, a simple comparison of mean effects could show a different effect. In the analysis that follows we address this concern by using a pooled regression model to estimate effects using observations from both cohorts. The model includes control variables to account for observed differences in the individual characteristics of participants in each cohort, and an interaction term to allow for experimental effects to vary across cohorts after controlling for observed differences. Although the experimental effects are estimated separately for each cohort, our tests of the significance of the difference in effects across cohorts are derived from the joint estimates.

Fourth, external differences such as economic conditions may have changed the environment for the later cohort in a way that resulted in different effects. These differences could result in either larger or smaller experimental effects for the later cohort. For example, higher unemployment rates faced by the later cohort could reduce fathers' abilities to respond to incentives to pay child support, and thus result in smaller effects. Finally, because the sample size is so much smaller in the later cohort, our estimates of experimental effects are less precise. Thus, the same (or even a larger) estimated effect may not be statistically significant for the later cohort.

Analytic Approach

In the impact analysis that follows we compare outcomes for the experimental and control groups for each cohort, and between the two cohorts.

For a simple comparison of later outcomes between the experimental and control groups to be valid, the two groups must have been similar at the beginning of the policy change. To ensure that random assignment worked correctly, we did some statistical tests to determine whether experimental- and control-group members entered W-2 at different rates, or were assigned to different tiers. The results of this analysis (shown in Appendix 1) suggest that comparisons between experimental- and control-group cases that entered W-2 provide an appropriate measure of the experiment. However, because in Cohort 1 experimental-group members with higher child support were less likely to be placed in an upper tier than control-group members, direct comparisons of the experimental impact conditional on entry in the lower tiers should be interpreted with caution, particularly for Cohort 1. That is one of the reasons the analyses in this report use regression adjustments to control for these differences.

Although the initial characteristics of the experimental and control groups are not significantly different in most respects, we present regression-adjusted means, rather than simple means. This

procedure is consistent with the approach used in our second report, and allows us to adjust for any observed differences in the initial characteristics of the experimental and control groups. This approach has a number of advantages.

First, even if random assignment worked perfectly, there would be some chance differences in the initial characteristics of the experimental and control groups. Regression-adjusted means adjust for chance variation in characteristics included in the regression. The regression-adjusted difference reflects the estimated effect of experimental status (i.e., the coefficient on the indicator for experimental or control status) after accounting for differences in baseline characteristics. This approach will also adjust for any nonrandom differential assignment based on observable characteristics that are included among the control variables. Finally, to the extent that control variables account for the variance in the outcome of interest, we are more likely to be able to discern the effect of the experiment.

The regression control variables used are listed in the text box. We controlled for a variety of demographic characteristics, including mother's age, race/ethnicity, and number of children. We also controlled for historical variables that could be related to future behavior, such as prior receipt of AFDC, child support history, and employment and earnings history.[35] We did not control for economic conditions or other factors that could have changed between the early and later periods.[36]

Regression Control Variables

The following control variables were used in all regressions. All variables are defined at sample entry:

- Assignment rate

- Child support history

- AFDC history

- Region

- Initial W-2 tier

- Mother's age

- Mother's race/ethnicity

- Number of children

- Mother's education

- Father's earning history

- Mother's employment history (not included in analyses of fathers' sample)

- Divorce or paternity case

- Number of legal fathers associated with mother

- Whether a child support order existed at entry

For specific definitions of control variables, see Appendix 1.

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[35]We included the mother's recent usage of AFDC as a control in the model since this reflects her exposure to the previous child support pass-through policy, but since Cohort 3 cases have, by definition, not been on AFDC in the year and a half preceding their start on W-2, this control has less meaning for Cohort 3 cases than for Cohort 1 cases. A comparison of cases' recent AFDC usage with their recent Food Stamps usage found that among Cohort 1 cases about 80 percent had similar experiences on Food Stamps as on AFDC in the preceding 24 months, but among Cohort 3 cases only about 50 percent had similar experiences.

[36]A comparison of regression-adjusted estimates and the raw group differences found that predicted levels of outcomes appear to be relatively unaffected by the use of regression adjustment, not a surprising result given that experimental status was randomly assigned. We also compared findings using our relatively long list of regressions with findings generated using a shorter list. As expected, the longer list of regressions improved the accuracy of our

Because cases were randomly assigned, observed differences between the experimental and control groups can be attributed to the child support pass-through treatment. As described above, regression analysis was used to increase the precision of the estimates. However, because the cases were not randomly assigned to cohorts, and indeed, because the two statewide cohorts have very different demographic characteristics, it is less straightforward to determine the reasons for any observed differences in effects between the cohorts. Because we are primarily interested in any cohort differences that are attributable to changes in the effect of the policy net of changes in characteristics, we used regression analysis to attempt to isolate those differences. Separate regressions were done for Cohort 1 and Cohort 3 to estimate the experimental effects within each cohort. A joint regression model estimated with cases in both cohorts was used to estimate the differences in the effects between Cohort 3 and Cohort 1 and to determine the significance levels of those cohort differences. In examining the difference in experimental effects between the early and late cohorts, we control for the listed characteristics in the regression model, but we do not allow effects to vary by those characteristics (i.e., we do not include interaction effects between experimental status and initial characteristics). We do, however, look for experimental effects within certain key subgroups. The details of the procedure for estimating regression-adjusted means and differences are discussed in Appendix 1.

We measure effects over the research population as a whole. We also show results for key subgroups: those with no recent AFDC experience prior to entry (who are less likely to have recent experience with the child support system under the previous policy, and who therefore may be more responsive to reform), those with a history of higher child support payments, those who entered W-2 in a lower tier (as recipients of cash assistance, they are subject to the reduced pass-through if they are in the control group), and those who entered W-2 in a county other than Milwaukee. The text box on page 38 provides more specific definitions of these subgroups. Results for the full sample and the key subgroups are provided in Tables 3.2–39.

The results are organized by relative quarters—that is, by quarters since the case entered W-2—rather than by calendar quarter.[37] Since each cohort includes cases that entered over more than one quarter, the period of available follow-up varies by entry date. Using only data prior to September 2000, owing to the treatment error mentioned in Chapter 1 and discussed in Appendix 1, we have data for the quarter of entry and ten quarters following the entry quarter for the cases that entered earliest in Cohort 1, but we only have data for four quarters following the entry quarter for the cases that entered last in Cohort 3. For the main tables in this report, we show results for each cohort for five quarters—from the quarter of entry through the fourth quarter after entry. A more detailed description of the analytic approach can be found in Appendix 1.

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estimates, leading to more findings of significant differences.

[37]Because of this, results are not directly comparable to those found in the Phase 1 Final Report, which used an analysis based on calendar years.

Subgroups

All outcomes were assessed for the four key subgroups described below.

Mother Has No Recent AFDC History
Mother was not on AFDC for any of the 24 months prior to W-2 entry.

Higher Child Support History
For mothers' sample: over the 12 months prior to W-2 entry, mother had $1,000 or more in child support paid on her behalf. If there was more than one child support order for a case, payments were summed over all orders.

For fathers' sample: over the 12 months prior to mother's W-2 entry, father paid $1,000 or more in child support on behalf of the mother.

Mother Entered in Lower Tier
Mother's first W-2 slot was either W-2 Transition or Community Service Job.

Mother Entered Outside Milwaukee
Mother's initial W-2 case was not in Milwaukee County.

Administrative Data Sample

The basic research sample used in our analyses includes cases that received a random-assignment code; had entered W-2 either between September 1, 1997, and July 8, 1998 (Cohort 1), or between January 1 and June 30, 1999 (Cohort 3); were demographically eligible for child support (there was a living noncustodial parent);[38] had at least one child still under 18 at the end of the research period; met other sample criteria, primarily associated with timely progression in the intake process;[39] and in which the mother was the custodial parent.

Three main samples are drawn from the administrative data: custodial mothers, noncustodial fathers for whom paternity was legally established when the mother entered W-2 ("legal fathers"), and children–some with and some without legally established paternity at entry. Figure 3.1 shows the relationships among these three main samples from the administrative data. The 16,003 Cohort 1 mothers and 2,235 Cohort 3 mothers included in the first sample can be divided into those with only marital children when they entered W-2 (Box 1A, 8.5 percent of Cohort 1 mothers and 12.8 percent of Cohort 3 mothers), those with both marital and nonmarital children at entry (Box 1B, 7.9 percent of Cohort 1

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[38]We excluded cases in which records indicate that the fathers of all children are dead, and cases in which records indicate that all children live with both parents.

[39]See Appendix 1 for more detail on other sample exclusions.

Figure 3.1
Research Population, Phase 1

Custodial Mothers in
Research Population
Cohort 1
16,003 (100%)
Cohort 3
2,235 (100%)

1A
Custodial Mothers with
Only Marital Children
Cohort 1
  Custodial Mothers: 1,403 (8.5%)
  Noncustodial Fathers: 1,455 (10.1%)
  Children: 3,087 (8.2%)
Cohort 3
  Custodial Mothers: 285 (12.8%)
  Noncustodial Fathers: 306 (20.6%)
  Children: 574 (14.8%)

1B
Custodial Mothers with Some
Marital and Nonmarital Children
Cohort 1
  Custodial Mothers: 1,245 (7.9%)
  Noncustodial Fathers: 1,963 (14.2%)
  Children: 4,290 (11.9%)
Cohort 3
  Custodial Mothers: 179 (8.0%)
  Noncustodial Fathers: 293 (19.8%)
  Children: 569 (14.6%)

1C
Custodial Mothers with
Only Nonmarital Children
Cohort 1
  Custodial Mothers: 13,220 (82.7%)
  Noncustodial Fathers: 10,485 (75.7%)
  Children: 28,974 (79.9%)
Cohort 3
  Custodial Mothers: 1,706 (76.3%)
  Noncustodial Fathers: 884 (59.6%)
  Children: 2,749 (70.6%)

1D
Custodial Mothers with No
Children at Baseline
Cohort 1
  Custodial Mothers: 135 (0.9%)
Cohort 3
  Custodial Mothers: 65 (2.9%)

1Bi
Marital Children
Cohort 1
  2,226 (52.1%)
Cohort 3
  292 (51.3%)

1Bii
Nonmarital Children
with Legal Noncustodial
Father at Entry
Cohort 1
  890 (20.8%)
Cohort 3
  127 (22.3%)

1Biii
Nonmarital Children
without Legal Noncustodial
Father at Entry
Cohort 1
  1,174 (27.1%)
Cohort 3
  150 (26.4%)

1Ci
Children with Legal
Noncustodial Father
at Entry
Cohort 1
  13,676 (47.6%)
Cohort 3
  1,057 (38.5%)

1Cii
Children without Legal
Noncustodial Father
at Entry
Cohort 1
  15,298 (52.4%)
Cohort 3
  1,692 (61.6%)

Note: Percentages are weighted to reflect differential assignment rates over time.

mothers and 8.0 percent of Cohort 3 mothers), and those with only nonmarital children at entry (Box 1C, the vast majority of mothers in both cohorts, 82.7 percent of Cohort 1 mothers and 76.3 percent of Cohort 3 mothers). About 1 percent of Cohort 1 mothers and 3 percent of Cohort 3 mothers were pregnant when they entered W-2 and had no other children.[40]

The derivation of the sample of legal noncustodial fathers can also be seen on the figure. 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 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. In the figure, the total sample of fathers is 13,903 in Cohort 1 and 1,483 in Cohort 3, primarily fathers of nonmarital children.

Finally, the sample of nonmarital children who did not have paternity established when they entered W-2 can be seen in boxes 1Biii and 1Cii. These analyses include 16,472 children in Cohort 1 and 1,842 in Cohort 3.

As mentioned earlier, beginning in September 2000, some cases were inadvertently made subject to the wrong pass-through policy for their treatment group. Because of the number of cases affected, and the difficulty of eliminating cases in such a way that the integrity of the original random-assignment design would be assured, our primary analysis was done using only data from the period prior to this error. Using the longest follow-up period available for all cases in both Cohorts 1 and 3, we look at the first five quarters of the experiment.

Characteristics of the Research Sample

Table 3.1 shows the initial characteristics of the custodial mothers included in Cohorts 1 and 3. Because of the different entry times of the two cohorts, about 70 percent of Cohort 1 mothers transitioned to W-2 from AFDC, whereas all of the Cohort 3 mothers entered W-2 directly. Differences in the length of time mothers had received AFDC prior to entry confirm that the two cohorts vary greatly in their experience with the welfare system; 87 percent of cases in Cohort 1 had received AFDC at some time in the 2 years prior to entry, and most had more than 18 months of AFDC receipt. Among Cohort 3 cases, only 17 percent had received AFDC at any time in the 2 years prior to entry. Cohort 3

Summary of Analytic Approach

- Outcomes for experimental group compared to control group, within cohorts

- Comparison of size of effect in Cohort 1 and Cohort 3

- Regression-adjusted differences presented to discern effects of experiment

- Examination of total sample and four key subgroups

- Examination of first year following the quarter of W-2 entry

- Analyses of mothers and fathers who had paternity established when their children entered W-2

- Data from administrative records

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[40]Under W-2 pregnancy does not qualify women for cash assistance, but they may qualify for other assistance. They become eligible for cash assistance when the child is born.

Table 3.1. Custodial Mothers in the CSDE, by Cohort

Characteristics	Cohort 1		Cohort 3	
	N	%	N	%
All Custodial Mothers	16,003	100.0	2,235	100.0
Case Type				
AFDC	11,355	71.0		
W-2	4,648	29.0	2,235	100.0
AFDC Receipt before Entry				
None	2,140	13.4	1,862	83.3
1-18 months	5,357	33.5	373	16.7
19-24 months	8,506	53.2		
Initial W-2 Assignment				
W-2 Transition	1,555	9.7	370	16.6
Community Service Job	8,104	50.6	624	27.9
Caretaker of Newborn	1,387	8.7	722	32.3
Upper tier	4,957	31.0	519	23.2
Age				
16-25	7,497	46.9	1,235	55.3
26-30	3,276	20.5	393	17.6
31-40	4,246	26.5	488	21.8
41 or more	981	6.1	119	5.3
Unknown	3	0.0		
Race/Ethnicity				
White	4,053	25.3	901	40.3
African American	9,743	60.9	1,061	47.5
Hispanic	1,215	7.6	138	6.2
Native American	368	2.3	59	2.6
Asian	290	1.8	20	0.9
Other	18	0.1	4	0.2
Unknown	316	2.0	52	2.3
Education				
Less than high school	8,382	52.4	962	43.0
High school diploma	5,835	36.5	962	43.0
Some beyond high school	1,559	9.7	299	13.4
Unknown	227	1.4	12	0.5
Language				
English-speaking	15,515	97.0	2,195	98.2
Non-English-speaking	487	3.0	40	1.8
Number of Children at Entry				
None (pregnant)	127	0.8	65	2.9
One	5,164	32.3	1,173	52.5
Two	4,649	29.1	519	23.2
Three or more	6,063	37.9	478	21.4
Age of Youngest Child at Entry				
Unborn child at entry	1,614	10.1	370	16.6
0-2	7,690	48.1	1,193	53.4
3-5	2,885	18.0	239	10.7
6-12	3,115	19.5	322	14.4
12-18	697	4.4	111	5.0
Missing birth date	2	0.0		
Location				
Milwaukee County	11,858	74.0	1,141	51.1
Rest of state	4,145	26.0	1,094	49.0

cases were also more likely than Cohort 1 cases to enter W-2 as a Caretaker of Newborn. Cohort 1 cases were more likely than Cohort 3 to enter in a Community Service Job, and slightly more likely to enter in an upper tier. The remaining panels of Table 3.1 show that Cohort 3 cases were more likely than Cohort 1 cases to be under 25, white, have a high school diploma or higher, have only one child, have a child under 2, and reside outside Milwaukee County. Most of these cohort differences indicate that Cohort 3 was less disadvantaged than Cohort 1, and also had much less experience with the welfare system and the child support pass-through policy before it was changed. Thus, the two cohorts might be expected to have different outcomes as a result of the pass-through policy change. We use regression analysis to attempt to isolate outcome differences between the cohorts that are net of measured demographic differences.

Notes on the Presentation of Data (in Tables 3.2–39)

Results are rounded. Dollar values are rounded to zero decimal places, percentages to one place, and probability values to three places. Because of rounding, the difference between the means of the experimental and control groups may not exactly equal the impact shown on the tables.

The probability values shown in the fourth, eighth, and last columns indicate the probability that each reported impact, and the difference between the two impacts, might have occurred by chance if no difference existed between the groups. The smaller the probability value, the more confidence can be placed in a conclusion that the impact was an effect of the experiment, or that the difference between the impacts was due to cohort differences (other than measured demographic differences). Probability values of 0.05 or less are indicated in **bold type** in the tables. All tables show regression-adjusted values for outcome variables.

Cohort Comparison Results

Paternity Establishment and Child Support Orders

In order for a father to pay child support to a custodial mother, several things must happen if paternity has not already been formally acknowledged. A legal finding of paternity must be made in order to determine that this person is the father of a child residing in the mother's household. Then the court must order the father to pay a certain amount of child support, stated as either a fixed amount or as a percentage of the father's income. The full pass-through policy may affect each of these steps in the process leading to child support payments, in addition to affecting the payments themselves. As hypothesized at the beginning of the chapter, we expect that those in the experimental group will have a higher rate of paternity and order establishment than those in the control group. We first look at effects on paternity establishment, order establishment, and order amounts.

Paternity Establishment

Table 3.2 shows the differences in the rate of paternity establishment for children who entered the experiment without a father already legally determined. For Cohort 1, by the end of the first year after entry, slightly more children in the experimental group than in the control group had paternity

Table 3.2: Paternity Establishment among Children without Legal Fathers at Entry

Time Period	Cohort 1 Experimental Group (N=12,999)	Control Group (N=3,473)	Impact	P-value	Cohort 3 Experimental Group (N=879)	Control Group (N=963)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	3.7%	3.3%	0.4%	0.238	4.3%	3.6%	0.7%	0.452	0.994
1st Quarter after Entry	7.8	6.8	**1.0**	**0.049**	15.0	13.0	2.0	0.222	0.881
2nd Quarter after Entry	11.2	9.9	**1.3**	**0.031**	25.3	21.7	3.6	0.080	0.581
3rd Quarter after Entry	13.7	12.4	**1.3**	**0.041**	31.5	27.2	4.3	0.055	0.423
4th Quarter after Entry	16.2	14.7	**1.5**	**0.039**	37.0	32.6	4.4	0.061	0.377
1st Year after Entry	16.2%	14.7%	**1.5%**	**0.039**	37.0%	32.6%	4.4%	0.061	0.377

Table 3.3: Paternity Establishment among Children without Legal Fathers at Entry, by Subgroup

Subgroup	Cohort 1 Experimental Group	Control Group	Impact	P-value	Cohort 3 Experimental Group	Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,270)	(N=563)			(N=698)	(N=822)			
1st Year after Entry	29.1%	22.3%	**6.8%**	**0.006**	39.4%	37.2%	2.2%	0.417	0.153
Higher Child Support History	(N=1,548)	(N=386)			(N=92)	(N=111)			
1st Year after Entry	17.1%	12.2%	**4.8%**	**0.022**	28.3%	36.5%	-8.2%	0.323	0.289
Mother Entered in Lower Tier	(N=8,142)	(N=2,147)			(N=359)	(N=397)			
1st Year after Entry	14.0%	12.8%	1.2%	0.151	27.2%	19.8%	**7.4%**	**0.021**	0.184
Mother Entered Outside Milwaukee	(N=2,634)	(N=798)			(N=354)	(N=402)			
1st Year after Entry	24.8%	22.0%	2.8%	0.128	46.9%	33.8%	**13.1%**	**0.001**	**0.042**

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

established, 16 percent compared to 15 percent. This difference is statistically significant. In Cohort 3, higher percentages of children (37 percent in the experimental group and 33 percent in the control group) had paternity established by the end of the year. Though the experimental difference is even larger in Cohort 3, it is only significant at the .06 level because of the smaller sample sizes. The final column examines whether the effect in the first cohort is statistically different from the effect in the third cohort, controlling for differences in the composition of cases. None of the effects differ significantly between the cohorts.

Table 3.3 shows the paternity establishment results for the various subgroups. The largest differences in Cohort 1 appear for children whose mothers were not recently on AFDC and for those whose mothers had received high levels of child support (presumably from the legally established fathers of other children in the household). The largest differences in Cohort 3 appear for those cases in which the mother had entered in the lower tier and the mother was outside Milwaukee. All of these differences are statistically significant, and the large difference in Cohort 3 cases outside of Milwaukee (13 percentage points higher for those in the experimental group than for those in the control group) is significantly higher than the 3-percentage-point difference in Cohort 1.

Order Establishment

Table 3.4 shows the effects of the experiment on the establishment of child support orders for mothers who did not have an order during the quarter they entered the experiment. Among Cohort 1 mothers, orders were established at a higher rate for experimental-group cases, but in Cohort 3 the control group had more orders established. These differences were fairly small (under 2 percentage points in the first year after entry) and are not significant. Examining the subgroups in Table 3.5 we again find no significant differences, but we do note that the higher orders for Cohort 3 control-group cases are limited to just those cases where the mother had not recently been on AFDC. In other Cohort 3 subgroups the experimental-group cases had higher rates of orders.

Amounts of Child Support Orders

Table 3.6 shows the amounts of current support owed to custodial mothers. These amounts sum the amounts of current child support which were due each quarter, but do not include amounts of child support which were due previously and might be in arrears. These order amounts include both orders which are stated in fixed amounts and orders which are stated as a percentage of the father's income (if the fathers' earnings are known from Unemployment Insurance records).

Cohort 1 mothers in the experimental group were owed an average of $1,526 in current child support in the first year after their entry into the experiment, whereas mothers in the control group were owed $1,499. The difference among Cohort 3 mothers was only slightly larger; mothers in the experimental group were owed $1,539 and mothers in the control group $1,457. These differences are still fairly small and not statistically significant.

In Table 3.7, the differences in child support owed across subgroups of both cohorts are on the same scale as the full sample, except among Cohort 3 mothers who had high child support paid to them in the year before they entered W-2. These mothers in the experimental group were owed $467 more than were mothers in the control group. It may be that experimental-group mothers who had received significant child support in the past had the incentive to return to court to make sure that they were ordered to receive all the child support they were entitled to, whereas control-group mothers, who would

Table 3.4: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry)

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=5,872)	Control Group (N=1,624)	Impact	P-value	Experimental Group (N=702)	Control Group (N=733)	Impact	P-value	P-value
Quarter Mother Entered W-2	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		
1st Quarter after Entry	4.6	3.9	0.6	0.248	7.7	9.9	-2.2	0.137	0.066
2nd Quarter after Entry	9.4	7.9	1.5	0.062	17.8	17.8	-0.1	0.975	0.283
3rd Quarter after Entry	12.5	10.9	1.6	0.078	24.5	26.2	-1.8	0.457	0.093
4th Quarter after Entry	14.5	14.2	0.3	0.761	28.6	30.9	-2.3	0.359	0.313
1st Year after Entry	15.7%	15.2%	0.5%	0.641	30.9%	32.3%	-1.5%	0.564	0.440

Table 3.5: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry), by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,141)	(N=458)			(N=624)	(N=659)			
1st Year after Entry	26.0%	25.4%	0.6%	0.822	30.5%	32.8%	-2.2%	0.405	0.356
Higher Child Support History	(N=182)	(N=40)			(N=27)	(N=32)			
1st Year after Entry	18.9%	13.3%	5.6%	0.448	27.2%	23.5%	3.8%	0.864	0.883
Mother Entered in Lower Tier	(N=3,547)	(N=960)			(N=272)	(N=304)			
1st Year after Entry	12.9%	13.5%	-0.6%	0.631	25.9%	25.2%	0.7%	0.858	0.792
Mother Entered Outside Milwaukee	(N=1,610)	(N=494)			(N=326)	(N=339)			
1st Year after Entry	26.5%	24.1%	2.3%	0.328	38.1%	36.9%	1.2%	0.767	0.725

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table 3.6: Amounts of Child Support Owed to Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	Cohort 3- Cohort 1 P-value
Quarter Mother Entered W-2	$333	$332	$0	0.952	$269	$239	**$29**	**0.024**	**0.043**
1st Quarter after Entry	350	349	0	0.940	317	298	19	0.212	0.187
2nd Quarter after Entry	376	365	11	0.114	376	354	22	0.240	0.502
3rd Quarter after Entry	393	384	9	0.208	414	394	20	0.320	0.556
4th Quarter after Entry	407	401	6	0.429	432	411	21	0.303	0.435
1st Year after Entry	$1,526	$1,499	$27	0.312	$1,539	$1,457	$82	0.228	0.378

Table 3.7: Amounts of Child Support Owed to Custodial Mothers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Control Group	Impact	P-value	Cohort 3 Experimental Group	Control Group	Impact	P-value	Cohort 3- Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	$1,155	$1,081	$74	0.306	$1,454	$1,406	$47	0.532	0.780
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$3,226	$3,133	$93	0.312	$3,782	$3,315	$467	0.064	**0.030**
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	$1,469	$1,442	$27	0.403	$1,663	$1,579	$84	0.415	0.393
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	$1,753	$1,723	$29	0.631	$1,906	$1,887	$20	0.868	0.967

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

not have received all the benefits of any extra child support paid (if they were receiving W-2 grants), did not have so strong an incentive.

Summary of Experimental Effects on Paternity and Orders

The experiment shows a strong and consistently significant effect on the establishment of paternity. It may be that mothers are more likely to pursue paternity establishment, and fathers are more likely to accept paternal responsibility when the full benefits of any child support which may be ordered will go directly to their children. The actual amounts of child support owed do not appear to be strongly affected by the full pass-through treatment, except perhaps in those cases where child support payments had previously been high.

Child Support Paid by Fathers

If a noncustodial father knows his children will benefit fully from his paying child support, he may be more likely to pay, and to pay higher amounts. In this section we compare the payment patterns of fathers in the experimental and control groups.

Child Support Payments by Noncustodial Fathers

Table 3.8 shows the percentage of noncustodial fathers who paid child support through the fourth quarter after the mother's entry into the experiment. Through the first year after entry, 52 percent of the Cohort 1 fathers in the experimental group paid some child support, whereas 50 percent of Cohort 1 fathers in the control group made a payment. Similar differences exist in most of the quarterly figures for Cohort 1, and the yearly figure is very close to the annual 1998 difference we reported for this cohort in the Phase 1 Final Report. The difference is fairly small and is statistically significant at conventional levels only in the fourth quarter, and even then only at p=.087.[41]

For Cohort 3 the overall percentage of fathers paying child support is higher, as we might expect, since Cohort 3 cases are more likely to be newer entrants to the child support system. For these cases, however, fathers in the control group show a higher likelihood of child support payment than do fathers in the experimental group, though the difference is small and not statistically significant. These results provide no support to the hypothesis that full pass-through policies will increase the likelihood that fathers will pay. Although these Cohort 3 differences are in the opposite direction from those in Cohort 1, the difference in the effects across the two cohorts is not significant.

In Table 3.9 we examine whether these differences are specific to certain subgroups. For Cohort 1 cases, the difference between experimental and control cases is highest when the mother had not been on AFDC in the 24 months prior to entering W-2; in these cases, 61 percent of experimental-group fathers but only 52 percent of control-group fathers had paid any child support. This may be because those new to the welfare system had not become accustomed to the old pass-through policy, and thus were more able to react to the new policy. This difference is large and statistically significant. Another

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[41]In the Phase 1 Final Report, the 1999 annual difference in the percentage of fathers paying was statistically significant. This calendar period roughly matches the second year after entry for Cohort 1. Long-term results for Cohort 1, shown in Appendix 3, do show a payment rate that is three percentage points higher for experimental-group members in the second year after entry, matching the Phase 1 finding.

Table 3.8: Percentage of Legal Fathers Paying Child Support

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=10,908)	Control Group (N=2,995)	Impact	P-value	Experimental Group (N=798)	Control Group (N=685)	Impact	P-value	P-value
Quarter Mother Entered W-2	22.5%	21.4%	1.1%	0.275	34.7%	34.3%	0.5%	0.884	0.683
1st Quarter after Entry	31.3	29.8	1.6	0.145	43.6	44.8	-1.3	0.675	0.407
2nd Quarter after Entry	33.2	33.4	-0.2	0.851	43.7	47.7	-4.0	0.177	0.229
3rd Quarter after Entry	32.5	31.7	0.8	0.481	45.5	50.1	-4.6	0.119	0.103
4th Quarter after Entry	34.9	32.8	**2.1**	**0.046**	47.4	50.9	-3.5	0.227	0.061
1st Year after Entry	52.4%	50.4%	2.0%	0.087	64.6%	67.9%	-3.3%	0.242	0.138

Table 3.9: Percentage of Legal Fathers Paying Child Support, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=720)	(N=296)			(N=560)	(N=518)			
1st Year after Entry	61.0%	51.7%	**9.3%**	**0.024**	66.3%	70.5%	-4.3%	0.189	**0.010**
Higher Child Support History	(N=3,229)	(N=814)			(N=311)	(N=289)			
1st Year after Entry	94.7%	91.8%	**2.9%**	**0.012**	99.3%	99.2%	0.1%	0.868	0.483
Mother Entered in Lower Tier	(N=6,632)	(N=1,829)			(N=420)	(N=364)			
1st Year after Entry	48.9%	46.9%	2.1%	0.159	66.9%	66.9%	0.0%	0.993	0.739
Mother Entered Outside Milwaukee	(N=2,692)	(N=798)			(N=454)	(N=384)			
1st Year after Entry	67.4%	64.1%	3.3%	0.124	70.8%	75.0%	-4.2%	0.238	0.117

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

subgroup that shows a difference that is statistically significant is the group in which the father had paid over $1,000 of child support in the year before entry into the experiment. Among Cohort 3 cases in which the mother had no recent AFDC experience (these form a large part of Cohort 3 cases, since AFDC had ended over 12 months before these cases started W-2), the differences are again in the opposite direction from those in Cohort 1. For this subgroup the change in effect between the two cohorts is significant at a .01 level. In those subgroups in which the father had previously paid high child support and in which the mother had entered in a lower tier, the Cohort 3 experimental effects are actually positive, though small and not statistically significant. Finally, in cases outside Milwaukee in Cohort 3 we see a strong negative effect of the full pass-through. Still, these effects are not statistically significant; nor are they significantly different from Cohort 1 cases outside Milwaukee.

Amounts of Child Support Payments by Fathers

Although the experiment may not result in a change in the likelihood of fathers paying child support, it may have an effect on the amount that they pay. As shown in Table 3.10, Cohort 1 fathers in the experimental group paid an average of $830 in child support to the mothers they owed, $36 more per year than fathers in the control group paid. These amounts and the difference between them increased substantially for Cohort 3 cases; experimental-group fathers paid $1,374, $106 more than the control-group fathers. The experimental effect on annual payment amounts is not significant in either cohort, but the *increase* in the effect between Cohort 1 and Cohort 3 is significant. This is most notable when we consider that the effect of the full pass-through on the likelihood of paying child support was actually negative in Cohort 3 (though not statistically significant). It implies that among those who did pay child support the increase in the effect of the full pass-through policy was even greater than the effect across all cases.

In the subgroups shown in Table 3.11 the effect of the experimental policy is positive in all cases, but the strongest and only statistically significant effect is among Cohort 1 cases in which the mother had not recently been on AFDC. In general, the amounts of child support paid are larger in Cohort 3, and experimental-control differences in the amount range from about $100 to $250. Across these subgroups the changes in the experimental effect for the two cohorts are not statistically significant at conventional levels.

Summary of Payments by Fathers

These findings indicate that the overall trend in the effect of the experiment on the amount of child support paid seems to be similar across the two cohorts. In Cohort 1, more of this effect is accounted for by increases in the likelihood of fathers paying child support, whereas in Cohort 3 more is accounted for by increases in the amount paid by those who did pay. The final result appears to be a small (but sometimes statistically significant) increase in the amount of child support paid in the first year by fathers of children who were eligible for the full pass-through and disregard.

Child Support Paid on Behalf of Mothers

Child Support Payments on Behalf of Custodial Mothers

In addition to looking at the child support payment behaviors of individual fathers, we also examine the effect of the experiment on the child support paid to mothers. These figures are not equivalent because an individual mother may have child support paid on her account by a single father,

Table 3.10: Amounts of Child Support Paid by Legal Fathers

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=10,908)	Control Group (N=2,995)	Impact	P-value	Experimental Group (N=798)	Control Group (N=685)	Impact	P-value	P-value
Quarter Mother Entered W-2	$167	$160	$7	0.365	$303	$269	$34	0.196	0.151
1st Quarter after Entry	214	207	7	0.440	346	289	57	0.232	**0.035**
2nd Quarter after Entry	216	213	2	0.812	302	279	23	0.283	0.331
3rd Quarter after Entry	185	173	12	0.071	347	311	37	0.167	0.173
4th Quarter after Entry	216	202	14	0.097	379	390	-11	0.781	0.514
1st Year after Entry	$830	$795	$36	0.150	$1,374	$1,268	$106	0.282	0.200

Table 3.11: Amounts of Child Support Paid by Legal Fathers, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=720)	(N=296)			(N=560)	(N=518)			
1st Year after Entry	$1,371	$1,072	**$299**	**0.009**	$1,456	$1,390	$66	0.525	0.185
Higher Child Support History	(N=3,229)	(N=814)			(N=311)	(N=289)			
1st Year after Entry	$2,396	$2,255	$141	0.090	$2,892	$2,634	$258	0.173	0.285
Mother Entered in Lower Tier	(N=6,632)	(N=1,829)			(N=420)	(N=364)			
1st Year after Entry	$788	$732	$56	0.077	$1,328	$1,246	$81	0.474	0.408
Mother Entered Outside Milwaukee	(N=2,692)	(N=798)			(N=454)	(N=384)			
1st Year after Entry	$1,264	$1,153	$111	0.058	$1,635	$1,620	$15	0.907	0.498

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

by multiple fathers, or by no father at all. Moreover, this figure includes payments made not only to those who had paternity established at entry into W-2, but also those who had paternity established after entry. In the following analyses, the amounts of child support include all amounts paid on the mother's account, regardless of whether the state later retains some of that amount in recompense for AFDC or W-2 payments to the mother.

In Table 3.12, child support payments viewed from the mother's perspective show results somewhat different from those seen from the father's perspective. Among mothers in both cohorts, whether they are in the experimental or the control group, the percentage receiving a child support payment is lower than the percentage of fathers making a payment. This is due, of course, to the number of custodial mothers who have no legal fathers for their children and cannot have a child support order. The effect of the experimental treatment on the percentage of mothers for whom child support is paid follows generally the same trend as for fathers' payments. In Cohort 1, child support was significantly more likely to be paid on behalf of mothers in the experimental group, and the difference in the percentage with a child support payment is larger than for fathers' payments (3 percentage points, compared to 2 for fathers). In Cohort 3 the effect of the full pass-through treatment is negative, but the size of the difference is noticeably smaller than in the case of fathers' payments. There is no significant difference in the effect across the two cohorts.

Table 3.13 examines payments on behalf of custodial mothers for subgroups. As with the fathers' payment results, the experimental effect is statistically significant ($p < .05$) only for those mothers in Cohort 1 who had a high amount of child support paid on their behalf, although two other subgroups show differences that are significant at the .06 level. Most surprisingly, given the fathers' results, the experimental treatment effect on the probability of payments made by fathers for mothers in the lower tier, although not statistically significant, is positive and higher in Cohort 3 than in Cohort 1. Thus, whereas overall experimental differences are negative in Cohort 3, this result appears to be concentrated among those cases where the mother entered W-2 in the upper tier, as well as among those with no recent AFDC history.

Amounts of Child Support Paid on Behalf of Custodial Mothers

The amounts of child support paid to custodial mothers shown in Table 3.14 resemble the pattern for the fathers' payments. The amounts paid are approximately equivalent for Cohort 1 cases, indicating that the mothers for whom child support was paid by more than one father may offset the mothers who have no possibility of child support because they have not established paternity. In Cohort 3, with a greater percentage of mothers new to the system, there are fewer mothers with more than one child and with multiple, associated noncustodial fathers. Thus, the amounts of child support are lower than when we examine support payments from the father's perspective.

The size of the experimental effect is not very different, whether it is seen from the mothers' or the fathers' perspectives. For mothers in both cohorts the full pass-through has a positive but insignificant effect, somewhat larger for Cohort 3, in the first year after entry. But the difference from the fathers' perspective was statistically significant. From the mothers' perspective, the difference in the effects across the two cohorts is not significant.

In Table 3.15, the pattern of experimental effects for subgroups is similar to that for the fathers, but in the mothers' case the strongest experimental difference appears among Cohort 3 cases in which the

Table 3.12: Percentage of Custodial Mothers for Whom Child Support Was Paid

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	P-value
Quarter Mother Entered W-2	15.1%	14.5%	0.6%	0.474	13.2%	13.6%	-0.4%	0.848	0.602
1st Quarter after Entry	25.1	23.9	1.2	0.220	24.8	25.1	-0.3	0.889	0.522
2nd Quarter after Entry	29.6	28.8	0.7	0.494	32.6	36.3	-3.7	0.128	0.086
3rd Quarter after Entry	30.1	29.4	0.6	0.527	38.7	40.0	-1.3	0.597	0.514
4th Quarter after Entry	33.8	32.2	1.6	0.134	44.4	44.4	0.0	0.988	0.456
1st Year after Entry	50.1%	47.5%	**2.7%**	**0.022**	58.6%	59.3%	-0.7%	0.793	0.258

Table 3.13: Percentage of Custodial Mothers for Whom Child Support Was Paid, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	41.7%	37.7%	4.0%	0.164	55.3%	57.4%	-2.1%	0.449	0.099
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	96.5%	94.3%	**2.2%**	**0.019**	99.9%	99.8%	0.1%	0.535	0.919
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	45.6%	42.8%	2.9%	0.059	61.8%	58.8%	3.1%	0.442	0.865
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	68.0%	63.9%	4.1%	0.051	73.9%	73.2%	0.7%	0.815	0.457

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table 3.14: Amounts of Child Support Paid on Behalf of Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,542)	Cohort 1 Control Group (N=3,461)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Cohort 3 Control Group (N=1,109)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$164	$158	$6	0.418	$227	$196	$31	0.093	0.084
1st Quarter after Entry	212	210	3	0.740	264	220	45	0.159	**0.041**
2nd Quarter after Entry	223	223	0	0.984	255	237	18	0.263	0.400
3rd Quarter after Entry	200	196	5	0.508	312	281	31	0.121	0.129
4th Quarter after Entry	240	228	12	0.157	366	368	-2	0.952	0.572
1st Year after Entry	$876	$856	$20	0.408	$1,197	$1,105	$92	0.191	0.209

Table 3.15: Amounts of Child Support Paid on Behalf of Custodial Mothers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	$892	$800	$92	0.153	$1,135	$1,097	$37	0.594	0.660
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$2,826	$2,754	$72	0.460	$3,703	$3,123	**$580**	**0.035**	**0.007**
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	$814	$762	$52	0.081	$1,279	$1,160	$119	0.206	0.283
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	$1,342	$1,248	$94	0.100	$1,613	$1,639	$-27	0.807	0.296

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

mother had a history of higher levels of child support. This experimental effect is significantly higher for the Cohort 3 mothers than it had been for Cohort 1 mothers.

<u>Child Support Received by Custodial Mothers</u>

The amount of child support received by each custodial mother depends on two factors: how much child support is paid by the noncustodial fathers who owe her support, and how much of that child support is retained by the state to reimburse the government for amounts paid to the mother through the AFDC and W-2 programs. Since the pass-through or retention of child support is the primary treatment of the CSDE experiment, we expect to see a purely mechanical effect of the experiment on the amounts of child support that mothers received.

The experimental impact is not, however, limited to this mechanical impact. On the one hand, to the extent that fathers in the experimental group pay more child support, the effects on receipts would be even greater. On the other hand, when mothers are in the upper tiers of W-2 or off W-2 altogether, the experimental and control groups are treated identically. Thus as time passes and more mothers leave the lower tiers of W-2, any experimental treatment effect on child support receipts may shrink.

Likelihood of Child Support Receipt

Table 3.16 shows the percentage of mothers receiving any child support. The levels of mothers receiving any support are generally lower than the percentage of fathers paying support, for two reasons: many mothers have no possibility of having support paid for them (since there is no father established for their children), and some mothers will have all of their child support retained.[42] Like the results for the fathers, the experimental-control difference in the percentage of mothers receiving support is positive for mothers in Cohort 1 (and significant for the first year after entry), but negative for mothers in Cohort 3. These differences are on the same scale as is the percentage of fathers paying. Although the negative effect in Cohort 3 is not statistically significant, the estimated effects are marginally significantly different between the two cohorts.

In the subgroup results (Table 3.17), the difference in the direction of the effects between the two cohorts again appears especially strong among those cases with no previous AFDC experience. In this subgroup, the percentage of experimental-group mothers receiving child support is 5 percentage points higher than the control group in Cohort 1, but is 5 percentage points lower in Cohort 3. This difference is significant. In the other subgroups, the estimated effects and the differences between cohorts are substantially smaller and not statistically significant.

The mechanical treatment discussed above should not affect the percentage of mothers receiving child support, since even the mothers in the control group receive a portion of any child support paid on their account. The experimental effects here are solely the result of the impact on fathers' likelihood of paying, so it is not surprising that we see results similar to those found in Tables 3.8 and 3.9.

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[42]For example, if a noncustodial father pays for hospital expenses associated with the birth, the amount paid will be kept by the state rather than received by the custodial mother. In addition, child support payments are retained by the state, even for experimental-group cases when the noncustodial parent owed money to the state for unreimbursed assistance provided under AFDC.

Table 3.16: Percentage of Custodial Mothers Receiving Child Support

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group (N=12,542) | Control Group (N=3,461) | Impact | P-value | Experimental Group (N=1,126) | Control Group (N=1,109) | Impact | P-value | P-value |
Time Period									
Quarter Mother Entered W-2	9.9%	9.4%	0.5%	0.464	7.0%	8.0%	-1.0%	0.451	0.313
1st Quarter after Entry	18.2	17.4	0.8	0.345	19.0	19.7	-0.8	0.700	0.396
2nd Quarter after Entry	23.2	22.3	0.9	0.337	26.9	28.8	-1.9	0.394	0.179
3rd Quarter after Entry	25.4	24.4	1.0	0.287	32.0	33.2	-1.2	0.610	0.317
4th Quarter after Entry	28.5	26.7	1.8	0.059	35.7	37.0	-1.2	0.594	0.153
1st Year after Entry	39.8%	37.2%	**2.6%**	**0.022**	47.3%	49.6%	-2.3%	0.353	0.062

Table 3.17: Percentage of Custodial Mothers Receiving Child Support, by Subgroup

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group | Control Group | Impact | P-value | Experimental Group | Control Group | Impact | P-value | P-value |
Subgroup									
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	34.4%	29.2%	5.1%	0.053	43.8%	48.8%	-5.0%	0.067	**0.006**
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	91.5%	91.1%	0.4%	0.757	94.8%	93.7%	1.1%	0.612	0.659
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	35.6%	33.4%	2.2%	0.115	50.4%	50.9%	-0.5%	0.901	0.520
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	56.8%	54.5%	2.3%	0.301	62.3%	60.6%	1.7%	0.616	0.852

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Amounts of Child Support Received by Custodial Mothers

Differences between the control and experimental groups in the amount of child support received provide evidence of the mechanical effects of the experiment and of its effects on the amount of child support that fathers paid. In Table 3.18, these effects do appear and are quite strong and significant. Among Cohort 1 mothers, the cases in the control group received approximately $30 less every quarter, for a total difference in the first year of $134 (all differences are significant). For Cohort 3 cases the amounts of child support received were generally higher than for Cohort 1 and, as for Cohort 1, experimental cases in general received more child support. The effect is statistically significant for every quarter but one. The full-year difference is $152 for Cohort 3; this is also significant. Although the p-values for Cohort 3 differences are generally smaller because of the smaller numbers of cases, the size of the effects is very similar, so it is not surprising to find no significant differences in the experimental effect between the two cohorts.

In the subgroups shown in Table 3.19, we find large and mostly significant differences in the amounts received within each subgroup in each cohort. Only in Cohort 3, again, do small sample sizes for some subgroups (mothers without AFDC experience and mothers outside Milwaukee) result in differences which are not significant. The effect of the experiment on child support received is particularly large ($471 in the first cohort and $657 in the third) among mothers who received large amounts of child support before they entered W-2. The size of the Cohort 3 experimental-control differences is, however, not dramatically different from those in Cohort 1. Thus, the difference in effects between the two cohorts is, unsurprisingly, insignificant for subgroups also.

Although it is not surprising to find significant differences in the amount of child support mothers received, the finding does give us confidence that the experiment worked as expected, at least for the time periods shown in these tables.

Summary of Effects on Child Support Payments and Receipts

Our results confirm the expectation that the experiment would lead to a difference in the amount of child support mothers would receive. In both cohorts, mothers in the full pass-through group received more child support than those in the partial pass-through group; in the first year after entry, the amount of child support received by mothers in the experimental group was 25 percent higher than that received by mothers in the control group for Cohort 1, and 18 percent higher for Cohort 3.

Although much of this difference is due to the mechanical effect of the experiment, the amount of child support noncustodial fathers paid is larger for fathers in the experimental group than for fathers in the control group (this difference is not significant in the first year after entry). Most notably, Cohort 1 fathers in the experimental group paid 4 percent more child support than fathers in the control group, but Cohort 3 fathers in the experimental group paid 8 percent more.

The impact of the full pass-through policy on the likelihood of child support payments, and thus on child support receipts, is less consistent across the two cohorts. Although none of the differences are significant, the results show that in Cohort 1 more fathers in the experimental than in the control group paid child support, but in Cohort 3 more fathers in the control group paid. The subgroup results indicate that this negative effect on the likelihood of child support payment in Cohort 3 appears to be concentrated in cases that started on the upper tier of the W-2 job ladder and therefore did not receive

Table 3.18: Amounts of Child Support Received by Custodial Mothers

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group (N=12,542) | Control Group (N=3,461) | | | Experimental Group (N=1,126) | Control Group (N=1,109) | | | |
Time Period			Impact	P-value			Impact	P-value	P-value
Quarter Mother Entered W-2	$119	$90	**$29**	**<.0001**	$162	$124	**$38**	**0.002**	0.318
1st Quarter after Entry	141	102	**39**	**<.0001**	191	140	**51**	**0.000**	0.288
2nd Quarter after Entry	162	130	**32**	**<.0001**	221	190	**31**	**0.036**	0.924
3rd Quarter after Entry	177	147	**29**	**<.0001**	281	231	**50**	**0.006**	0.188
4th Quarter after Entry	194	162	**32**	**<.0001**	288	268	20	0.358	0.484
1st Year after Entry	$675	$541	**$134**	**<.0001**	$981	$830	**$152**	**0.007**	0.685

Table 3.19: Amounts of Child Support Received by Custodial Mothers, by Subgroup

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group | Control Group | | | Experimental Group | Control Group | | | |
Subgroup			Impact	P-value			Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	$788	$606	**$182**	**0.002**	$960	$844	$116	0.063	0.519
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$2,250	$1,779	**$471**	**<.0001**	$3,050	$2,393	**$657**	**0.002**	0.196
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	$619	$425	**$194**	**<.0001**	$1,088	$841	**$247**	**0.004**	0.241
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	$1,092	$908	**$183**	**0.000**	$1,373	$1,253	$120	0.219	0.520

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

cash assistance. This pattern is puzzling. Upper-tier cases should not experience a reduced pass-through, so it may be that this difference is merely the result of random variation in the sample.[43]

Effects on Mothers' Participation in Public Assistance Programs

The primary effect of the full pass-through policy was to increase the amount of child support received by mothers while they were on W-2. We anticipated that this increased income might lead to lower levels of need among these mothers and therefore to lower usage of the W-2 program and other government public assistance programs, such as Food Stamps, Medicaid, BadgerCare, and child care subsidies. On the other hand, if mothers understand that they will receive their full child support only when they leave the lower tiers, the experiment may create an incentive for those in the control group to leave welfare faster. In the Phase 1 Final Report we found that there was a small but significant effect on the levels of W-2 received by custodial mothers in 1998; full pass-through mothers received less in W-2 grants than partial pass-through mothers. However, the effects on the other assistance programs were not statistically significant.

W-2 Grants

In this report we examine the effects on participation rates in these assistance programs during the first year after entry. Table 3.20 shows the differences in participation in the lower tiers of the W-2 program, in which participants receive grants. As in the Phase 1 report, there is a small but significant difference in the rate of W-2 grant receipts in Cohort 1 with 82.8 percent of mothers in the experimental group and 84.8 percent of mothers in the control group receiving W-2 grants. In Cohort 3 there is no significant difference. In following the quarterly trends in W-2 grant receipt, we note that Cohort 3 mothers left W-2 cash assistance (i.e., moved to higher tiers or off W-2) substantially faster than the Cohort 1 mothers. By the fourth quarter after their initial entry onto W-2, only 18.6 percent of experimental Cohort 3 mothers were still receiving W-2 grants, while 33.2 percent of experimental Cohort 1 mothers were still in the lower tiers. This difference reflects the contrast between the two cohorts; all the Cohort 3 mothers were new entrants to W-2, with little recent AFDC experience, whereas Cohort 1 included mothers who were long-time participants in AFDC and less likely to leave the program easily.

Table 3.21 presents the differences in W-2 receipt across the subgroups. The differences in the effect of the experiment between the two cohorts are significant among cases in which the mother had over $1,000 in child support paid by noncustodial fathers. In Cohort 1, mothers in this group receiving the full pass-through were significantly less likely to get a W-2 grant than mothers receiving the partial pass-through, but in Cohort 3 this difference is reversed. The Cohort 1 effect is consistent with increased child support receipt helping mothers in the experimental group move toward self-sufficiency and leave welfare sooner. On the other hand, the Cohort 3 effect is consistent with the possibility that mothers in the control group moved out of the lower tiers quickly so that they could receive full child support. Although we cannot be certain, it is plausible that improved understanding of the pass-through policy at the time the third cohort entered W-2 led control-group members in that cohort to understand the implications better and to respond by leaving W-2 more quickly in order to collect more child support.

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[43]As described in Appendix 1, a diversion analysis showed that in Cohort 3, there was no experimental-control difference regarding the tiers in which a case began.

Table 3.20: Custodial Mothers Receiving W-2 Grants

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	P-value
Quarter Mother Entered W-2	68.3%	69.4%	-1.1%	0.306	71.3%	72.0%	-0.7%	0.763	0.797
1st Quarter after Entry	75.4	77.4	-1.9	0.051	75.4	74.9	0.4	0.837	0.282
2nd Quarter after Entry	57.0	58.2	-1.3	0.247	35.7	34.5	1.2	0.572	0.249
3rd Quarter after Entry	42.3	42.5	-19.5	0.851	21.1	20.9	0.2	0.905	0.691
4th Quarter after Entry	33.2	34.6	-1.4	0.162	18.6	17.1	1.5	0.362	0.091
1st Year after Entry	82.8%	84.8%	**-2.0%**	**0.014**	79.8%	78.9%	0.9%	0.633	0.143

Table 3.21: Custodial Mothers Receiving W-2 Grants, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	84.6%	88.2%	-3.6%	0.055	80.9%	79.7%	1.2%	0.559	0.053
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	72.4%	77.7%	**-5.3%**	**0.027**	74.0%	64.8%	9.2%	0.082	**0.007**
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	94.6%	96.0%	**-1.4%**	**0.009**	89.3%	89.3%	0.0%	0.991	0.362
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	56.5%	57.6%	-1.1%	0.615	71.8%	66.8%	5.0%	0.112	0.114

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

        The next tables show the differences for Food Stamps, medical assistance, and child care subsidies. Although there is no direct relationship between participation in these programs and child support receipt in the experiment, participation in one program is often linked to participation in other programs, so that the effects of the experiment on W-2 participation might have trickle-through effects on participation in these related assistance programs.

Food Stamps

        Tables 3.22 and 3.23 show the differences in Food Stamp participation. We see very little evidence that child support pass-through policies have any effect on the likelihood of Food Stamp participation in either the full sample or in any of the subgroups. It may be that the difference in the amount of child support received is not substantial enough to change the food stamp eligibility of many recipients, or it is possible that these additional child support payments are not being taken into consideration when food stamp eligibility is calculated. These results largely match those found in the Phase 1 Final Report. Food Stamp participation is quite high (over 90 percent) for both cohorts.

Medical Assistance (Medicaid and BadgerCare)

        Tables 3.24 and 3.25 show the effects of the experiment on Wisconsin's two medical assistance programs for lower-income families, Medicaid and BadgerCare. Participation in these programs is nearly universal for both cohorts (over 98 percent in the first year after entry) and there is no significant difference between experimental and control cases in the likelihood of program participation in either cohort (except for a single quarter in each). Separate examination of the two programs also shows no significant differences. In Cohort 1, however, the cases in the experimental group tend to have lower levels of medical assistance receipt, whereas in Cohort 3 the cases in the control group have lower levels. The opposite directions of these effects in the two cohorts lead to significant differences when the effects across the two cohorts are compared. Participation in these programs is nearly universal in all subgroups, and there are no substantial differences in participation within either cohort or between them.

Child Care Subsidies

        The levels of receipt of child care subsidies are much lower than for the other assistance programs, as shown in Tables 3.26 and 3.27. Only 40–46 percent of these W-2 mothers received any child care subsidies in the first year after entry, and quarterly participation rates were only about 25–30 percent. There are no experimental differences in the likelihood of receiving a child care subsidy. Since child support payments are not counted when determining eligibility for child care subsidies it is not surprising that we find no effect.

Earnings of Custodial Parents

        As with participation in assistance programs, the experiment should have no direct effect on the earnings of custodial parents, but we may find that changes in the amount of child support that mothers receive or their use of public assistance programs may lead to changes in mothers' work and earnings. The effect of the experiment on mothers' labor supply could work in either direction. Mothers who are receiving more money because all child support is passed through to them may feel less need to work to earn additional income, or mothers may find that the additional income from child support enables them to meet the challenges of moving from welfare to work.

Table 3.22: Custodial Mothers Receiving Food Stamps

Time Period	Cohort 1 Experimental Group (N=12,542)	Cohort 1 Control Group (N=3,461)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Cohort 3 Control Group (N=1,109)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	94.3%	94.0%	0.2%	0.569	85.9%	84.0%	1.9%	0.218	0.425
1st Quarter after Entry	89.1	88.7	0.4	0.530	83.4	81.0	2.3	0.159	0.322
2nd Quarter after Entry	82.0	80.3	**1.7**	**0.032**	67.0	68.8	-1.8	0.379	0.087
3rd Quarter after Entry	77.2	76.7	0.6	0.497	61.7	62.5	-0.8	0.697	0.502
4th Quarter after Entry	74.1	73.6	0.5	0.554	59.1	59.8	-0.8	0.715	0.551
1st Year after Entry	94.5%	94.0%	0.5%	0.216	90.4%	90.1%	0.2%	0.845	0.683

Table 3.23: Custodial Mothers Receiving Food Stamps, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	85.2%	84.3%	0.9%	0.619	89.5%	89.4%	0.1%	0.927	0.784
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	94.9%	95.6%	-0.7%	0.451	93.7%	89.2%	4.5%	0.100	0.095
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	95.9%	95.5%	0.4%	0.394	93.0%	93.8%	-0.8%	0.594	0.401
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	87.2%	87.3%	-0.1%	0.942	88.6%	87.3%	1.3%	0.509	0.528

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table 3.24: Custodial Mothers Receiving Medicaid and BadgerCare

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	P-value
Quarter Mother Entered W-2	99.5%	99.6%	-0.1%	0.279	97.3%	96.9%	0.4%	0.587	0.314
1st Quarter after Entry	97.8	98.4	**-0.6**	**0.022**	98.4	97.7	0.7	0.208	**0.024**
2nd Quarter after Entry	95.2	95.7	-0.5	0.230	94.4	92.7	1.7	0.098	**0.042**
3rd Quarter after Entry	92.6	92.9	-0.3	0.595	91.3	88.6	**2.8**	**0.031**	**0.044**
4th Quarter after Entry	89.8	89.6	0.2	0.707	86.9	85.4	1.5	0.317	0.538
1st Year after Entry	98.8%	99.1%	-0.2%	0.182	99.6%	99.1%	0.5%	0.072	**0.040**

Table 3.25: Custodial Mothers Receiving Medicaid and BadgerCare, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	98.4%	98.4%	0.0%	0.991	99.9%	99.8%	0.1%	0.073	0.248
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	99.0%	99.3%	-0.3%	0.408	100.0%	100.0%	0.0%		0.091
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	99.1%	99.4%	-0.3%	0.175	99.8%	99.7%	0.2%	0.437	0.180
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	97.3%	97.9%	-0.6%	0.316	99.4%	99.1%	0.3%	0.432	0.349

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table 3.26: Custodial Mothers Receiving Child Care Subsidies

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	P-value
Quarter Mother Entered W-2	11.5%	11.4%	0.1%	0.909	11.1%	11.7%	-0.6%	0.649	0.774
1st Quarter after Entry	21.2	21.1	0.1	0.950	28.8	30.2	-1.4	0.489	0.698
2nd Quarter after Entry	24.7	24.1	0.6	0.470	31.6	32.2	-0.6	0.754	0.675
3rd Quarter after Entry	26.1	25.7	0.4	0.610	29.1	30.3	-1.2	0.556	0.566
4th Quarter after Entry	25.6	25.7	-0.1	0.874	27.7	28.4	-0.7	0.718	0.861
1st Year after Entry	40.6%	39.9%	0.7%	0.493	46.1%	46.3%	-0.3%	0.901	0.803

Table 3.27. Custodial Mothers Receiving Child Care Subsidies, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	41.2%	42.1%	-0.9%	0.710	45.8%	46.5%	-0.7%	0.781	0.978
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	38.5%	37.1%	1.4%	0.560	45.0%	44.9%	0.1%	0.987	0.878
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	37.6%	36.2%	1.4%	0.260	43.1%	40.0%	3.1%	0.361	0.654
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	40.2%	38.1%	2.1%	0.272	41.5%	44.3%	-2.8%	0.377	0.262

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Tables 3.28 and 3.29 show the effects of the experiment on the likelihood that custodial mothers will have any earnings reported in the Unemployment Insurance data over the four quarters after entry. Results here are similar to those reported for Cohort 1 in the Phase 1 Final Report. There are no significant differences in the likelihood of earnings in the full sample or in any of the subgroups. This remains true in Cohort 3.

Any effect on earnings may relate to the amount of earnings rather than the likelihood of earnings. Tables 3.30 and 3.31 examine the amount of earned income for mothers and show annual earnings generally in the $4,000–$6,000 range. As with the likelihood of earnings, there are no significant differences in the amount of earnings reported in Cohorts 1 or 3. Cohort 3 mothers with over $1,000 of child support paid by noncustodial fathers who were getting the full pass-through reported earnings $953 less than the control group (this difference is statistically significant only at the .07 level). It may be that these mothers who were getting larger amounts of child support passed through were able to work less.

Total Income of Custodial Mothers

Custodial parents in our sample may be receiving financial support for their families from a number of different sources. We have looked at the amounts of child support they have received, their participation in various public assistance programs, and their earnings. The ultimate goal of the full pass-through program is to improve custodial parents' overall economic well-being. To assess the effects of the experiment on mothers' overall income, we combined the child support that they received, their W-2 and Food Stamp payments, and the income they earned to get a measure of total income. In Tables 3.32 and 3.33 we report the differences in total income for the two cohorts.

In the first year after entry, mothers in both cohorts have about $10,000 of income. Mothers in Cohort 1 receiving the full pass-through had $177 more in total income than mothers receiving the partial pass-through. Although small (about 2 percent of control-group income), this difference is statistically significant. Cohort 3 mothers in the experimental group had an even larger addition to their income ($284, almost 3 percent) but, owing to the smaller sample sizes in Cohort 3, this difference is not statistically significant.

Among the subgroups reported in Table 3.33, cases outside Milwaukee show the largest effect of the experiment on total income. Again, this effect is significant only in Cohort 1, but it is large in both cohorts. Overall, it does appear that full pass-through policies have increased the amount of resources available to custodial parents. It is possible that the higher income for mothers in the experimental group increases their ability to search for work and to maintain employment.[44]

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[44]Given the small size of the effects on mother's total incomes we were curious as to how evenly distributed these impacts were across the income distribution. An analysis showed that the largest impacts of the experiment on total income occurred at the higher end of the income distribution in both cohorts, with the lower end of the income distribution demonstrating small or even negative experimental effects. To some extent this is not surprising: women who are better off are likely to have ex-partners who are themselves better off and more likely to have been paying at least some child support in the past. One would expect that these partners are the ones most likely to be able to react to the motivations provided by the experiment.

Table 3.28: Percentage of Custodial Mothers with Earnings

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group (N=12,539) | Control Group (N=3,460) | Impact | P-value | Experimental Group (N=1,125) | Control Group (N=1,108) | Impact | P-value | P-value |
Time Period									
Quarter Mother Entered W-2	56.4%	55.2%	1.2%	0.277	56.7%	54.2%	2.5%	0.276	0.586
1st Quarter after Entry	53.7	54.0	-0.3	0.800	58.5	60.1	-1.5	0.475	0.429
2nd Quarter after Entry	58.9	59.2	-0.3	0.766	68.4	68.2	0.2	0.941	0.958
3rd Quarter after Entry	61.1	60.0	1.1	0.284	70.0	67.7	2.3	0.266	0.732
4th Quarter after Entry	60.8	61.8	-0.9	0.344	70.1	69.9	0.2	0.925	0.709
1st Year after Entry	81.7%	82.5%	-0.8%	0.321	87.2%	86.8%	0.5%	0.741	0.623

Table 3.29: Percentage of Custodial Mothers with Earnings, by Subgroup

| | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
| | Experimental Group | Control Group | Impact | P-value | Experimental Group | Control Group | Impact | P-value | P-value |
Subgroup									
Mother Has No Recent AFDC History	(N=1,516)	(N=624)			(N=939)	(N=921)			
1st Year after Entry	84.6%	86.1%	-1.5%	0.390	87.5%	87.3%	0.1%	0.932	0.497
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	82.8%	83.0%	-0.1%	0.937	87.1%	91.2%	-4.2%	0.174	0.228
Mother Entered in Lower Tier	(N=7,589)	(N=2,069)			(N=499)	(N=493)			
1st Year after Entry	71.7%	72.8%	-1.1%	0.337	81.6%	79.8%	1.8%	0.487	0.454
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=542)			
1st Year after Entry	84.0%	85.2%	-1.2%	0.420	86.3%	87.4%	-1.1%	0.614	0.943

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Sample excludes cases with no recorded Social Security number.

Table 3.30: Amounts Earned by Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,539)	Control Group (N=3,460)	Impact	P-value	Cohort 3 Experimental Group (N=1,125)	Control Group (N=1,108)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$778	$756	$22	0.231	$728	$715	$13	0.756	0.719
1st Quarter after Entry	875	874	1	0.960	994	1,006	-11	0.838	0.841
2nd Quarter after Entry	1,115	1,111	5	0.861	1,576	1,537	39	0.592	0.624
3rd Quarter after Entry	1,284	1,236	48	0.111	1,683	1,666	17	0.815	0.576
4th Quarter after Entry	1,394	1,336	58	0.064	1,750	1,736	13	0.862	0.518
1st Year after Entry	$4,668	$4,557	$111	0.233	$6,003	$5,945	$58	0.804	0.764

Table 3.31: Amounts Earned by Custodial Mothers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Control Group	Impact	P-value	Cohort 3 Experimental Group	Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,516)	(N=624)			(N=939)	(N=921)			
1st Year after Entry	$5,215	$5,043	$172	0.495	$5,960	$5,889	$71	0.778	0.796
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$5,268	$5,312	$-44	0.858	$6,459	$7,412	$-953	0.110	0.064
Mother Entered in Lower Tier	(N=7,589)	(N=2,069)			(N=499)	(N=493)			
1st Year after Entry	$3,272	$3,232	$41	0.704	$4,874	$5,244	$-370	0.288	0.115
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=542)			
1st Year after Entry	$5,103	$4,848	$255	0.180	$5,832	$5,973	$-141	0.657	0.229

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Sample excludes cases with no recorded Social Security number.

Table 3.32: Total Income of Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,539)	Cohort 1 Control Group (N=3,460)	Impact	P-value	Cohort 3 Experimental Group (N=1,125)	Cohort 3 Control Group (N=1,108)	Impact	P-value	Cohort 3- Cohort 1 P-value
Quarter Mother Entered W-2	$2,251	$2,198	**$54**	**0.013**	$1,833	$1,754	$79	0.080	0.670
1st Quarter after Entry	2,639	2,626	13	0.566	2,534	2,463	70	0.185	0.258
2nd Quarter after Entry	2,572	2,550	22	0.418	2,602	2,513	89	0.193	0.270
3rd Quarter after Entry	2,528	2,459	**69**	**0.017**	2,588	2,514	74	0.306	0.997
4th Quarter after Entry	2,533	2,459	**73**	**0.016**	2,598	2,548	50	0.500	0.738
1st Year after Entry	$10,272	$10,095	**$177**	**0.048**	$10,322	$10,038	$284	0.200	0.617

Table 3.33: Total Income of Custodial Mothers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3- Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,516)	(N=624)			(N=939)	(N=921)			
1st Year after Entry	$9,398	$9,202	$196	0.424	$10,078	$9,900	$177	0.461	0.951
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$12,038	$11,785	$252	0.282	$12,775	$12,604	$171	0.762	0.802
Mother Entered in Lower Tier	(N=7,589)	(N=2,069)			(N=499)	(N=493)			
1st Year after Entry	$9,920	$9,840	$80	0.448	$10,215	$10,159	$57	0.864	0.817
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=542)			
1st Year after Entry	$9,125	$8,695	**$430**	**0.024**	$9,905	$9,578	$327	0.298	0.699

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Sample excludes cases with no recorded Social Security number.

Earnings of Noncustodial Fathers

We now turn to the possibility of experimental effects on the income of noncustodial fathers. We might expect that the full pass-through policy would increase fathers' measured earnings for a couple of reasons: fathers may be inclined to work more if they think that the income they receive is more likely to go to their children than to the state, and fathers may be more likely to take employment in the formal sector (which would be reported to Unemployment Insurance and therefore appear in our measures of income) if they feel that wages garnished for child support are directly benefitting their children.

In Tables 3.34 and 3.35 we report the effects of the experiment on the likelihood that fathers will have any earnings in the time period. In the full sample, there are no significant differences between experimental and control groups in either cohort, but among fathers associated with Cohort 1 mothers who had not recently been on AFDC, the fathers in the full pass-through group have a significantly higher probability of earnings than do fathers in the partial pass-through group. This difference is not repeated among the Cohort 3 cases with no recent AFDC history, and the difference in effects between the two cohorts is marginally significant ($p = .081$).

In the amounts of earnings of fathers reported in Tables 3.36 and 3.37, there are no significant differences among the full sample, but experimental-group fathers in Cohort 1 appear to earn less than the control-group fathers, whereas in Cohort 3 this effect is reversed. This is especially of note in the subgroups reported in Table 3.37. Among cases in which the mother is outside Milwaukee County in Cohort 1, fathers in the experimental group are earning $600 less than fathers in the control group (a marginally significant difference), but in Cohort 3 they are earning $100 more.

We hypothesized that noncustodial fathers in the experimental group would be more likely to have formal earnings and to have higher levels of earnings. We find no significant differences in either outcome for the sample as a whole. In some subgroups fathers are more likely to have earnings, while in others earnings are less.

Effects on Government Costs

Tables 3.38 and 3.39 show the difference in the total amount of assistance that was provided to custodial mothers on W-2. We are not able to measure assistance in all potential programs; for example, we do not have data on the Earned Income Tax Credit or Supplemental Security Income (SSI). Moreover, we do not have information on actual administrative costs, or taxes paid, etc. We do measure the assistance that was paid by the government to mothers who participated in W-2, Food Stamps, medical assistance, and child care subsidy programs. We subtract from this amount any child support payments by noncustodial fathers which are retained by the state (these include payments the father may make to offset Medicaid expenditures at his children's births). Since, of course, more child support will be retained by the state for mothers in the control group, we might expect the control group to have lower measured costs than the experimental group, but lower levels of program participation or lower amounts of assistance received might offset these amounts.

In Table 3.38 there is little evidence of any difference in net government costs because of the experiment. Costs to the government in the first year after entry are slightly higher for experimental-group members, but only by $80 in Cohort 1 and $176 in Cohort 3, differences that are not statistically significant.

Table 3.34: Percentage of Legal Noncustodial Fathers with Earnings

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=10,711)	Control Group (N=2,940)	Impact	P-value	Experimental Group (N=778)	Control Group (N=674)	Impact	P-value	P-value
Quarter Mother Entered W-2	39.1%	39.2%	-0.1%	0.938	49.4%	51.4%	-2.0%	0.492	0.666
1st Quarter after Entry	38.8	38.9	-0.1	0.961	49.7	50.9	-1.3	0.666	0.819
2nd Quarter after Entry	39.3	39.5	-0.2	0.886	49.2	50.5	-1.3	0.667	0.798
3rd Quarter after Entry	39.5	39.1	0.4	0.714	48.3	51.7	-3.4	0.233	0.190
4th Quarter after Entry	38.6	37.3	1.2	0.251	47.2	47.6	-0.4	0.896	0.637
1st Year after Entry	50.4%	50.1%	0.4%	0.745	68.7%	67.1%	1.7%	0.535	0.667

Table 3.35: Percentage of Legal Noncustodial Fathers with Earnings, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=704)	(N=285)			(N=546)	(N=508)			
1st Year after Entry	63.1%	53.9%	**9.1%**	**0.020**	70.6%	70.8%	-0.2%	0.943	0.081
Higher Child Support History	(N=3,209)	(N=810)			(N=311)	(N=284)			
1st Year after Entry	74.6%	75.3%	-0.7%	0.742	3.0%	86.7%	2.3%	0.479	0.556
Mother Entered in Lower Tier	(N=6,502)	(N=1,793)			(N=410)	(N=358)			
1st Year after Entry	48.7%	48.0%	0.7%	0.632	67.0%	62.1%	4.9%	0.199	0.356
Mother Entered Outside Milwaukee	(N=2,652)	(N=788)			(N=439)	(N=381)			
1st Year after Entry	58.2%	60.0%	-1.8%	0.403	72.4%	74.5%	-2.0%	0.545	0.928

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table 3.36: Amounts Earned by Legal Noncustodial Fathers

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=10,711)	Control Group (N=2,940)	Impact	P-value	Experimental Group (N=778)	Control Group (N=674)	Impact	P-value	P-value
Quarter Mother Entered W-2	$1,455	$1,495	$-40	0.356	$2,032	$1,976	$56	0.649	0.269
1st Quarter after Entry	1,426	1,447	-20	0.636	2,268	2,231	37	0.779	0.473
2nd Quarter after Entry	1,522	1,556	-34	0.448	2,406	2,304	101	0.450	0.153
3rd Quarter after Entry	1,575	1,557	18	0.705	2,241	2,303	-62	0.650	0.703
4th Quarter after Entry	1,591	1,589	2	0.970	2,192	2,223	-31	0.829	0.931
1st Year after Entry	$6,114	$6,149	$-35	0.838	$9,107	$9,061	$46	0.923	0.665

Table 3.37: Amounts Earned by Legal Noncustodial Fathers, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=704)	(N=285)			(N=546)	(N=508)			
1st Year after Entry	$9,455	$9,449	$6	0.994	$10,056	$10,044	$12	0.983	0.815
Higher Child Support History	(N=3,209)	(N=810)			(N=311)	(N=284)			
1st Year after Entry	$14,377	$14,392	$-15	0.980	$15,856	$14,867	$989	0.341	0.493
Mother Entered in Lower Tier	(N=6,502)	(N=1,793)			(N=410)	(N=358)			
1st Year after Entry	$5,901	$5,825	$77	0.719	$8,857	$8,649	$208	0.751	0.952
Mother Entered Outside Milwaukee	(N=2,652)	(N=788)			(N=439)	(N=381)			
1st Year after Entry	$7,099	$7,690	$-591	0.093	$10,508	$10,407	$101	0.876	0.210

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table 3.38: Net Government Costs for Custodial Mothers

| Time Period | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group (N=12,542)	Control Group (N=3,461)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=1,109)	Impact	P-value	P-value
Quarter Mother Entered W-2	$2,578	$2,536	**$41**	**0.049**	$1,954	$1,874	$80	0.063	0.520
1st Quarter after Entry	3,116	3,089	27	0.347	2,683	2,627	56	0.365	0.632
2nd Quarter after Entry	2,892	2,867	25	0.455	2,290	2,233	56	0.395	0.594
3rd Quarter after Entry	2,733	2,706	27	0.455	2,095	2,065	30	0.675	0.849
4th Quarter after Entry	2,563	2,563	0	0.990	1,943	1,908	35	0.615	0.630
1st Year after Entry	$11,304	$11,224	$80	0.470	$9,010	$8,834	$176	0.432	0.613

Table 3.39: Net Government Costs for Custodial Mothers, by Subgroup

| Subgroup | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1,546)	(N=624)			(N=940)	(N=922)			
1st Year after Entry	$7,746	$7,898	$-151	0.493	$8,473	$8,446	$27	0.909	0.575
Higher Child Support History	(N=2,303)	(N=583)			(N=231)	(N=216)			
1st Year after Entry	$10,918	$10,583	$336	0.227	$9,282	$8,322	$960	0.095	0.281
Mother Entered in Lower Tier	(N=7,589)	(N=2,070)			(N=500)	(N=494)			
1st Year after Entry	$12,420	$12,347	$73	0.612	$10,210	$9,665	$545	0.118	0.252
Mother Entered Outside Milwaukee	(N=3,193)	(N=952)			(N=551)	(N=543)			
1st Year after Entry	$7,581	$7,331	$250	0.175	$7,652	$6,997	**$656**	**0.029**	0.186

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

All Cohort 3 subgroups in Table 3.39 show higher differences between experimental and control cases, but only among those cases outside Milwaukee is the difference statistically significant. Cohort 3 control-group cases, as we saw, had lower levels of participation in W-2 and Medicaid than did experimental-group cases. It is likely that the larger differences in government costs in Cohort 3 are due to the lower levels of public assistance use in Cohort 3 than in Cohort 1.

<u>Summary of Results</u>

We find that the experiment had the expected direct impact of increasing the amount of child support that mothers received among both of the cohorts analyzed (Table 3.18). Early cohort mothers in the full pass-through group received $134 more in the first year after entry than mothers in the partial pass-through group; later cohort mothers received $152 more. Larger effects were seen for mothers who entered in the lower tier and among mothers who had received over $1,000 of child support in the previous year (Table 3.19). These results reflect the direct mechanical effect of the full pass-through treatment, but may also incorporate the other effects of the experiment on paternity establishment and child support payment.

When we evaluate other direct effects we also generally find similar impacts for the two cohorts, though the experimental impacts are harder to identify for the later period given the smaller sample. For children who enter W-2 without a legally identified father, in both cohorts we find that children in full pass-through families are more likely to have paternity established; paternity establishment rates were 1.5 percentage points higher in the first cohort and 4.4 percentage points higher in the later cohort (Table 3.2). The effects on the payment of child support by noncustodial fathers are not consistent. For the early cohort we find a significantly higher proportion of noncustodial fathers paid support in the first year. The effect is particularly large for fathers associated with mothers without recent welfare history (9.3 percent). However, we find no significant impacts for the later cohort (Table 3.9). We also found a marginally significant increase ($p < .01$) in the in the annual amounts of child support paid by legal fathers in the first cohort among all subgroups (Table 3.11).

The effect of the experimental treatment is less consistent for our secondary issues. We found in the early cohort that full pass-through treatment reduced the likelihood of receiving W-2 benefits in the first year after entry (Table 3.20). However, for the later period we found no reduction in receipt of W-2 benefits by the full pass-through group. The receipt of Food Stamps, Medicaid, BadgerCare, and child care subsidies were generally not affected for either cohort, although in some subgroups there are results that suggest higher program participation among the experimental group in the later cohort.

We generally find few significant impacts of the full pass-through on the earnings of mothers and fathers. We do find a positive impact on mothers' total incomes in the early cohort—average income is $177 greater for the full pass-through mothers. The later cohort shows an even larger increase in income ($284) but this is not statistically significant. The increases in income reflect the increases in the amounts of child support received, but also reflect increases in income from other sources such as earnings and other public assistance programs.

Finally, we do not find any significant difference in the overall government costs for the full pass-through and partial pass-through policies. Although more child support is passed through to those in the experimental group and is therefore not kept by the government, some of this money comes from additional support that would not have been paid in the absence of the full pass-through.

Chapter 4
Conclusions and Policy Implications

Changes in welfare laws and in child support pass-through policy have altered the potential importance of child support as an income source for low-income families. Additional restrictions such as time limits and new work requirements have increased the importance of income sources other than welfare payments. Wisconsin has a unique approach to welfare reform, with relatively stringent work requirements and a very generous approach to child support. Among most mothers participating in W-2, any child support received on behalf of their children has been passed through to them, and is disregarded in the calculation of their W-2 cash payments. Following the end of random assignment, this policy now applies to all mothers on W-2.

The Child Support Demonstration Evaluation (CSDE) was designed to evaluate the effect of this approach to child support, which was adopted within the context of other changes to the welfare system. An inadvertent disruption in the original sample intake process led to an opportunity to provide additional education and training to workers about a potentially confusing policy and experiment, and then to compare the resulting cohorts of cases. In this report, we compare a group of cases that includes those that transitioned from AFDC to W-2 as well as early W-2 entrants and cases that entered at least six months later, after some initial implementation issues had been solved and additional training had been provided. We have used regression analysis in order to attempt to isolate any effects due to implementation changes from those due to demographic differences between the cohorts.

An error recently discovered by the Department of Workforce Development has reduced the amount of follow-up included in the main portion of this report. Beginning in September 2000, the W-2 payment information for large numbers of control group cases was incorrectly reported by CARES, so that these cases were subject to full pass-through instead of partial pass-through. The primary analyses in this report rely only on the time period prior to this error. Some longer-term follow-up is reported in Appendix 3.

Summary of Experimental Impacts and Cohort Comparisons

Table 4.1 summarizes evidence of the experiment's effects; it shows significant experimental-control differences over the first five quarters of the experiment. The first column of Section A shows that among Cohort 1 cases, children in the experimental group had a greater likelihood of paternity establishment than those in the control group, a greater percentage of mothers in the experimental group had child support paid on their behalf and received child support, a smaller percentage of experimental-group cases received W-2 payments, and income was higher among mothers in the experimental group. The second column shows results for Cohort 3. These results were generally similar, though some effects were smaller or not statistically significant. For example, in Cohort 3, mothers in the experimental group were no more likely to have a payment made on their behalf or to receive a payment. In Cohort 3, those in the experimental group were slightly more likely to receive Medicaid or BadgerCare.

A comparison of the two cohorts, shown in the third column of Section A, offers few instances where the experimental effects differed significantly between the two cohorts, when demographic differences were controlled for. In two areas there were significant differences between the effects in the two cohorts. There was a larger experimental impact in Cohort 1 on the percentage of mothers receiving child support. Second, there was a larger experimental effect on receiving medical assistance in Cohort 3.

TABLE 4.1
Summary of Effects on Population and Subgroups, Cumulative through the Fourth Quarter after Entry

	Section A			Section B			Section C			Section D			Section E		
	All			No Recent AFDC History			Higher Child Support History			Entered in Lower Tier			Mothers Outside Milwaukee		
	Cohort 1	Cohort 3	Cohort 3–1	Cohort 1	Cohort 3	Cohort 3–1	Cohort 1	Cohort 3	Cohort 3–1	Cohort 1	Cohort 3	Cohort 3–1	Cohort 1	Cohort 3	Cohort 3–1
Paternity and Orders															
Paternity Establishment	**1.5%**	4.4%		**6.8%**			**4.8%**				7.4%			13.1%	++
Percentage of Mothers with CS Orders															
CS Owed to Mothers								$467	++						
Payment and Receipt of CS															
Percentage of Fathers Paying CS	2.0%			**9.3%**		– – –	2.9%								
Amount of CS Payments by Fathers				**$299**			$141			$56			$111		
Percentage of Mothers with CS Paid	**2.7%**					–	2.2%			2.9%			4.1%		
Amount of CS Paid on Behalf of Mothers								$580	+++	$52			$94		
Percentage of Mothers Receiving CS	**2.6%**		–	5.1%	-5.0%	– – –									
Amount of CS Received by Mothers	**$134**	**$152**		**$182**	$116		**$471**	$657		**$194**	**$247**		**$183**		
Other Public Assistance															
W-2 Receipt	**-2.0%**			-3.6%		+	**-5.3%**	9.2%	+++	-1.4%					
Food Stamp Receipt								4.5%	+						
Medical Assistance Receipt[a]		0.5%	++	0.1%					+						
Child Care Subsidy Receipt															
Earnings and Income															
Percentage of Mothers with Earnings															
Amount of Mothers' Earnings									–						
Mothers' Total Income	**$177**												**$430**		
Percentage of Fathers with Earnings				**9.1%**		–									
Amount of Fathers' Earnings													-$591		+
Government Costs											$960			**$656**	

Notes: Only differences with probability values of 0.1 or less are shown. Differences with probability values of 0.05 or less are shown in **bold type**.

Key: Positive (cohort 3 difference is larger than cohort 1 difference)   Negative (cohort 3 difference is smaller than cohort 1 difference)

Significant at the 1% level   +++   – – –

Significant at the 5% level   ++   – –

Significant at the 10% level +   –

Blanks indicate that the difference was not statistically significant.

[a]Medicaid and BadgerCare.

Some different patterns are seen among the subgroups in sections B–E. For those cases without recent AFDC history (section B), the experimental effects for Cohort 1 were generally more consistent with our hypotheses than those for Cohort 3. In Cohort 1, the experimental-control difference in percentage of fathers paying child support, amount of child support payment, percentage of mothers receiving child support, amount of child support received, and fathers' earnings, were all positive and generally larger than the differences found in Cohort 3. In Cohort 1, but not in Cohort 3, experimental-group cases were also less likely to receive W-2.

Among cases with a history of higher child support (section C), we see the largest experimental impact in the amount of child support received, $471 for Cohort 1 and $657 for Cohort 3. The cohort comparisons are mixed. Cohort 3 has larger positive effects than Cohort 1 in the amount of child support owed and the amount of child support paid on behalf of mothers. However, Cohort 1 saw either lower increases or decreases in receipt of all public assistance programs, whereas those in the experimental group in Cohort 3 saw increases in receipt of those programs.

Among cases that entered in a lower tier (section D), there are more significant effects in Cohort 1 than Cohort 3, but none of the cohort differences are significant. Among mothers outside Milwaukee (section E), the experimental-control difference in paternity establishment was greater in Cohort 3 than in Cohort 1.

We had hypothesized that the experimental effects would be stronger for Cohort 3 than for Cohort 1 because of improvements in W-2 and child support pass-through policy implementation. For the most part, we do not see this effect, and in several instances the effects for Cohort 1 are stronger than for Cohort 3. Sample sizes were smaller for Cohort 3, which may have made it more difficult to detect experimental effects. Moreover, the findings of the implementation analysis reported in Chapter 2 suggest that workers lacked understanding of the experiment even after additional training, and that, indeed, understanding of the pass-through declined between two surveys of Milwaukee workers.[45]

Policy Implications

The results of the evaluation suggest that Wisconsin's policy of passing through all child support paid on behalf of TANF recipients and disregarding it in the calculation of TANF benefits has been a success. The policy is consistent with Wisconsin's philosophy that W-2 participants should face rules that more closely resemble those faced by families in the labor market, and it has had several beneficial effects: low-income mothers receive more child support, many fathers are more likely to pay (and pay more), and children are more likely to have paternity established. These effects were achieved at relatively little cost. Moreover, child support administrators believe that moving to a full pass-through and disregard has resulted in a simpler administrative system, which should result in savings that were not captured by our analysis. Thus, Wisconsin's decision to make a full pass-through and disregard the base policy for all cases is supported by this evaluation.

What do our results suggest as *next steps for Wisconsin*? The implementation analysis demonstrates that some workers remain unclear about how the new policy works, suggesting that ongoing

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[45]We note, however, that the second survey was completed in 2002 while the outcomes in the summary tables were all measured prior to July 2000.

training should be considered for both W-2 and child support workers. Some FEPs reported being skeptical about the utility of child support for the families they see, so providing information to workers about the importance of child support may encourage them to discuss child support with all their customers. Incomplete knowledge about the full pass-through and disregard is not limited to workers, so we believe the state's plan to publicize this new policy through public service announcements should be supported.

Because our results demonstrate the utility of this policy, one next step could be to expand the full disregard of child support to other income-tested programs under the state's control. For example, states have flexibility in how income is calculated for the purpose of determining copayments in the child care subsidy program and the State Children's Health Insurance Program (SCHIP). In Wisconsin child support payments are currently used to determine Food Stamp and Medical Assistance eligibility but are disregarded in determining eligibility and subsidy amounts for child care assistance.[46] If child support were disregarded in these income calculations as well, it would reinforce the message that child support is *for children*. This might have positive secondary effects, further increasing cooperation with the child support system by both parents. Finally, the current policy basically passes through and disregards all current child support payments in the TANF program, but the state still requires payments from noncustodial parents that reimburse the state for costs associated with a child's birth. This policy may be undercutting the noncustodial parent's cooperation with the child support system.

What do our results suggest for the *federal government*? The federal government allowed Wisconsin to implement the full pass-through and full disregard policy under a waiver. The waiver essentially allowed Wisconsin not to pay the federal government its share of child support amounts collected for TANF recipients. However, under current law if another state wants to implement a full pass-through and disregard (indeed if another state wants *any* pass-through/disregard), that state has to repay the federal government its share. This makes it unlikely that any state would adopt this new policy; in fact some states that still have a small disregard are currently considering eliminating it. Federal legislation has been proposed that could change this situation, encouraging states to increase the level of pass-through/disregard without requiring repayment of the federal share; our results imply that this change in policy could have beneficial effects. In the absence of a national policy change, the federal government could encourage selected states to implement another demonstration with an experimental evaluation. This would limit federal costs and would help establish the extent to which the Wisconsin experience would also hold in other states.[47]

In addition, under current rules states keep about half of the arrears collected for families who have left TANF assistance. Current federal law requires states to keep arrearage collections made when

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[46]As noted in Appendix 4, the administrative data system (CARES) does not automatically take into account child support income when determining eligibility for Food Stamps and Medicaid, the amount of Food Stamps authorized, or whether a copayment is required for Medicaid. Instead, each program relies on worker investigation and discretion. However, current policy is that child support should be included when calculating eligibility or copayments for these programs.

[47]While some factors might lead CSDE estimates to overstate potential policy effects, we expect that the effects of a full pass-through policy in another state would be larger than those reported here. Indeed, in many ways it is striking that we do find evidence of substantial effects, given the implementation issues, the lack of a large difference in the policies faced by experimental and control groups, the speed with which mothers are moving off W-2, and the relative socioeconomic disadvantage of W-2 participants.

the noncustodial parent's income tax refund is intercepted, prohibiting states from passing through the full amount to the families. Pending federal legislation would give states the option to pay all support payments to former TANF families.[48] This option is consistent with our results, which suggest that parents are more cooperative with the child support system when it is of direct benefit to their children. The federal government could also consider changing the rules in other assistance programs to disregard child support. For example, if child support did not count as an income source in the Food Stamp program, this would also increase the incentive for parents to cooperate with the child support system.

Finally, what do our results suggest for *other states*? In most states, TANF participants do not receive any of the child support paid on behalf of their children. This no-pass-through no-disregard policy generates revenue to offset the costs of providing public assistance and the costs of child support enforcement in the short run. Our results suggest, however, that this policy has potentially detrimental effects on the development of child support as a long-run income source for single mothers and children. As discussed above, the costs and benefits of a full pass-through might vary in other states. Nonetheless, given the time-limited nature of cash assistance, the benefits to government of retaining child support are also quite limited. In contrast, the benefits to children of establishing paternity and setting a pattern of child support payments are potentially more enduring. Especially for this reason, a full pass-through continues to be a policy worthy of serious consideration by other states.

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[48]The distribution rules when child support payments are made on behalf of former TANF recipients are complex. See Turetsky (2002) for more details.

Appendix 1
Technical Report on Experimental Design

The Child Support Demonstration Evaluation has used an experimental design to assess the impact of a full pass-through of child support on the establishment of child support orders and paternity, the payment and receipt of child support, the use of public assistance programs, and labor force participation of parents.

The analyses reported in the main section of the report have relied on data gathered from the state of Wisconsin's administrative data systems to evaluate the experiment. This appendix provides information on the design of the experiment, its implementation, the sources and quality of the data available for the analyses, and the methodology used in the analyses. In Section 1, we describe the original evaluation design, problems faced in implementing this design, and the strategies used to overcome them. Section 2 documents the administrative data sources that we used. Section 3 describes how we selected our final research population. Section 4 discusses whether the experimental and control groups are equivalent, examining whether there was a difference in the rate of entry to W-2 between those in the experimental and control groups within each cohort. Section 5 compares the characteristics of the experimental and control groups in our final sample. Section 6 includes a discussion of the method we used to evaluate the effects of the full pass-through and to compare effects for the two cohorts.

1. Design and Implementation of the Experiment

In contrast to AFDC, which provided an entitlement to cash assistance with limited work requirements, TANF-funded assistance is generally limited to 5 years, with recipients required to work within 2 years. Wisconsin has adopted a work-first model; the philosophy and structure of W-2 emphasize immediate employment. Under W-2, almost all participants are placed in one of four tiers of employment or employment experience. W-2 tiers and payments are summarized in Table A1.1. The most job-ready applicants are provided case management services to help them find an Unsubsidized Job on the open market or improve their current job status. Trial Jobs provide work experience in jobs for which the state provides a partial subsidy to the employer. Participants in these two upper tiers receive no cash payments from the state (but may receive a variety of ancillary services). Community Service Jobs are public service jobs for which participants receive a monthly W-2 payment of $673. W-2 Transition is for those least able to work, either because of their own disability or because of the need to care for a child with a disability. W-2 Transition participants receive a monthly W-2 payment of $628. In addition to these four tiers, the Caretaker of Newborn tier provides, for parents caring for a child younger than 13 weeks, a monthly payment of $673 and exemption from work requirements. Those in the lower tiers receive the full amount only if they meet the time requirement; otherwise they lose $5.15 per hour of nonparticipation. Consistent with an approach that tries to replicate the "real world of work," W-2 is available to all low-income families with children, not merely single-parent families.

Other programs also provide assistance to low-income families. The federal Food Stamp program provides vouchers for food purchases and Medicaid (referred to as Medical Assistance in Wisconsin) provides health coverage. In addition to these federal programs, a new state program providing child care subsidies became available to low-income families at the same time W-2 was being implemented. Moreover, in July 1999, BadgerCare began, providing health coverage to a broader range of low-income families with children than does Medicaid. All these programs have been "delinked" from the W-2

program so that low-income families can receive services regardless of whether they are participating in one of the tiers of W-2.[49]

Table A1.1
The Four Tiers of Wisconsin Works

Tier	Income/Payments	Time Requirement	Program Time Limit
Unsubsidized Job	Market wage	None	None
Trial Job (W-2 pays maximum of $300 per month to the employer)	At least minimum wage	40 hours per week	3 months per placement with an option for one 3-month extension; total of 24 months over all Trial Job placements
Community Service Job	$673 per month	30 hours per week, plus up to 10 hours per week in education and training	6 months per placement with an option for one 3-month extension; total of 24 months over all Community Service Job placements; extensions permitted on case-by-case basis
W-2 Transition	$628 per month	28 hours per week of work activities, plus up to 12 hours per week in education and training	24 months; extensions permitted on case-by-case basis

Note: A final category, Caretaker of Newborn, provides $673 per month for parents caring for a child younger than 13 weeks.

The original evaluation design called for 8,000 cases to be selected into the experiment, half coming from the stock of AFDC cases active in August 1997 and the rest being drawn from cases applying for assistance after the implementation of W-2 in September 1997. The random-assignment code was made by the automated management information system of the Wisconsin Department of Workforce Development, CARES. Custodial parents were to be informed of their experimental assignment and how their child support payments would be handled when they applied for W-2.

In the experimental design, individuals receiving AFDC payments when W-2 began and those individuals who requested assistance after the implementation of W-2 were randomly assigned to one of two pass-through eligibility statuses. Those assigned to the control group received a portion of the amount of child support paid on their behalf. Those in the experimental group received the full amount

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[49]These related programs have higher income limits than W-2. Food stamps are available to those with gross income less than 130 percent of the federal poverty line. Medicaid has different eligibility requirements based on the age of the child. Child care subsidies are available to families with incomes up to 185 percent of the federal poverty line at the time of application. Beginning July 1, 1999, all members of families with children who have incomes below 185 percent of the poverty line and who do not have health insurance became eligible for BadgerCare, the new CHIP program in Wisconsin. Eligibility for BadgerCare continues until income reaches 200 percent of the poverty line.

paid by the noncustodial parent. The experimental group was randomly divided into a group expected to be included in the evaluation analysis, and a second group also receiving the full pass-through, but not originally part of the evaluation.

Because the rate of new entrants to W-2 was slower than anticipated, the assignment rates for new cases were changed over time. Among the initial AFDC cases in August 1997, and from September 1997 through March 16, 1998, 20 percent of cases were assigned to the control group, 20 percent to the experimental group, and the remainder to the experimental group not initially included in the evaluation. It quickly became clear that the rate of new entrants into W-2 was slower than expected, so the percentage of cases assigned to experimental and control status was raised: first, on March 17, 1998, the percentages assigned to experimental and control were raised to 30 percent each, and then on May 11, 1998, the percentages were raised to 50 percent in each experimental and control group.

Because both the experimental cases and the other full pass-through cases not initially included in the experiment received the same full pass-through treatment, we have combined these two groups and consider them together the experimental treatment group. This makes the CSDE an unusual experiment: in most designs, the majority of cases receive the traditional "control" policy and only a smaller group receives the experimental treatment. Here the majority of cases (80 percent early on, falling to 50 percent later) receive the experimental treatment. Because of these changes in assignment rates to treatment groups, analyses need to control for changing rates over time, either by using weights or by controlling for the assignment regimes in regression analyses.

Random assignment of new entrants continued through July 8, 1998, when a code error in the administrative data system caused all incoming W-2 cases in Milwaukee County that should have been assigned to the control group to instead be assigned to receive a full pass-through. After the discovery of this assignment error the decision was made to restart random assignment in Milwaukee County on January 1, 1999. Random assignment then continued throughout the state until June 30, 1999.

This assignment error divided the W-2 caseload into three groups, or "cohorts": Cohort 1 consisted of cases entering W-2 between September 1997 and July 8, 1998; Cohort 2 consisted of cases which entered between July 9, 1998, and December 31, 1998, but only in counties where random assignment was performed correctly (i.e., all counties except for Milwaukee); and Cohort 3 consisted of cases entering W-2 in the first half of 1999.

A previous report analyzed the effects of the full pass-through policy only among the Cohort 1 cases.[50] There are good reasons, however, to think that there may be differences in the effects of the experiment between cases which entered in Cohort 1 and those which entered in Cohort 3. Cases in Cohort 1 entered W-2 during a time when many administrative changes were occurring to the public assistance programs in the state. The full pass-through policy was new at this time, and although both W-2 and child support workers were trained in this new policy, a full understanding of the policy and its consequences for W-2 participants may have been subsumed in the larger changes occurring as the state transitioned from the old AFDC program to the dramatically different W-2 program. Cohort 3 cases entered at a time when W-2 was well established, in less administrative flux, and better understood by workers and recipients. In addition workers' understanding of the full pass-through policy may have been

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[50]See *W-2 Child Support Demonstration Evaluation, Phase 1, Final Report* (2001).

enhanced by additional training in the policy conducted in Milwaukee concurrently with the restarting of random assignment in January 1999.

The Cohort 3 caseload is quite different from the Cohort 1 caseload. Cohort 1 contains a large number of cases which had been on AFDC in 1997 (most for a long period before that), while Cohort 3 is composed primarily of new entrants to W-2 with no recent experience on AFDC. We might expect that cases with recent AFDC experience might be different in two important ways: (1) long-term AFDC use may be a sign that these cases are economically worse off, harder to employ, and more dependent on public assistance, and (2) cases with immediate experience with the old pass-through policy may take longer to understand the new policy than those cases without that experience.

The present report continues the analyses conducted in the Phase 1 Final Report by emphasizing the differences in experimental effects between Cohort 1 and Cohort 3. In addition, results reflecting the experiences of the Cohort 2 group (only those cases outside Milwaukee County) are presented in Appendix 2.

An additional implementation error occurred between September 2000 and February 2001, when, as a result of a coding error in the CARES system, information about most control-group cases receiving W-2 benefits during this time was not passed on to KIDS. Since the partial pass-through treatment for control-group cases is dependent on the case receiving W-2 benefits, almost all cases which should have had only a partial pass-through of any child support during these months had a full pass-through instead.

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, W-2 payments for 867 were not reported to KIDS and the cases were subject to the full pass-through policy during this time. Thus very few cases had the potential to experience control-group treatment during this time so that any effects of the experiment would be very difficult to observe. The future behavior of control-group cases which experienced the incorrect treatment may also be affected by that experience. Thus, any longer-term results we might observe would also be difficult to interpret.

To deal with this issue in the current report, we have limited our analysis of outcomes to those time periods which occurred before September 2000. For Cohort 3 this allows us 5 quarters of time to observe experimental effects, as the last cases in Cohort 3 entered in June 1999. Our comparisons in the main section of this report are thus limited to the quarter of entry into W-2 and the four subsequent quarters.

In Appendix 3 we present longer-term results, noting the difficulty of interpreting outcomes after September 2000.

2.   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 by use of 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

CARES records include information on W-2 participants (case history, tier placement, payment history, sanctions) and information on public assistance to low-income families, including Food Stamps, Medicaid, and child care. CARES data are available by case, parent, or child, and include such demographic information as birthdate, number of children, family composition, marital status, educational background, and residential location, as well as household earnings. CARES also identifies the research group for the study.

CARES data were used to identify selected cases and to monitor and measure the use of W-2 (cash payments and child care copayments and subsidies). For families that left the W-2 program, but still participate in the federal Food Stamp and Medicaid programs, eligibility history, payment levels, family income, and some demographic information are also available on CARES. Data are entered into CARES at application and updated at eligibility redetermination, or more often at workers' discretion. Eligibility is redetermined monthly for W-2, every three months for food stamps, and every six or twelve months for Medicaid. Under BadgerCare, eligibility is redetermined every twelve months. Additionally, under all programs, participants are to report changes in income and family situation as they occur.

KIDS

KIDS data contain information on child support orders, payments, and arrearages, the method of payment (wage withholding, tax intercepts), destination of the payment (custodial parent, state), demographic information about the parents and children in the case (birthdate, residential location of both parents), child support case history. KIDS can include information about dates of marriage and divorce and usually contains information on the date of paternity establishment for nonmarital children. KIDS also includes some cases without child support orders, but with child support potential: paternity cases in which the paternity adjudication process has begun, cohabiting paternity cases, and cases in which no child support order has been made owing to extenuating circumstances, such as the economic situation of the noncustodial parent, problems in locating the noncustodial parent, good-cause cases, and parental stipulations of no order. Finally, KIDS cases are matched on a regular basis with data from the New Hires data system, so information on the employment of both parents should be incorporated into KIDS. The KIDS system is also updated nightly with data from CARES. KIDS has valuable information on child support, but 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 reliable information on legal custody, or indicate cases in which there is substantial physical placement with the noncustodial parent.

CARES and KIDS data are extracted by IRP once per calendar quarter, two weeks after the end of the quarter.

Unemployment Insurance Wage Files

Unemployment Insurance (UI) wage file data provide quarterly earnings, 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.

3.   The Selection of Cases for Analysis

IRP staff extract records from the CARES system once every quarter, two weeks after the end of the quarter, allowing time for entry of data pertaining to the last month of the quarter to be completed. This extraction includes information on all cases on AFDC on August 31, 1997 (whether or not they subsequently transferred into the W-2 program), and all new requests for assistance (RFA) 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 considered for the W-2 program, but administrative errors did lead to a few cases being considered for AFDC after that date. County welfare agencies then had until March 30, 1998, to transition all outstanding AFDC program participants to the new W-2 program. Cases that were on AFDC and did not transfer to W-2, or 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 are not selected for our main analyses (they are included in the diversion analysis, below).

For the current analysis we only examine 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, 1999.[51] In the CARES database there are 28,150 mother-headed cases that entered W-2 and were assigned to a treatment group from September 1, 1997, to June 30, 1999. Of these, 21,133 entered during Cohort 1 and 3,341 entered during Cohort 3.

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

A.   Cases that received SSI for a child with a disability. Because federal law does not allow the state to retain 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. (1,804 cases in Cohort 1, 62 in Cohort 3)

B.   Cases where the noncustodial father was known to be deceased and therefore could not pay any child support. (51 cases in Cohort 1, 10 cases in Cohort 3)

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

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[51]We do not consider cases in this report where the custodial parent is the father of the children. Only a small number of cases entering W-2 are headed by the father and it is likely that the experience of these cases is quite different from those of custodial mothers. Also, we do not include two-parent families, since by definition they are not eligible for child support. An additional 1,190 cases entered W-2 during this time period with no assignment group, most likely because of a problem with the database programming which assigned cases to the treatment group; 1,157 of these cases entered in during the Cohort 1 entry period and 25 entered during the Cohort 3 entry period.

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

D. 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, these cases are considered to have been "diverted" and are included in the diversion analysis. (574 in Cohort 1, 228 in Cohort 3)

E. 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 RFAs do not result in actual slot assignments, the experiment needed to establish a deadline for deciding whether an applicant had actually been qualified for services. County-level workers must determine the appropriate placement for a W-2 applicant within seven days; an extension is 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-level 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. (1,982 cases in Cohort 1, 734 in Cohort 3)

F. 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 do not consider them in our analyses. (28 cases in Cohort 1, 8 in Cohort 3)

G. Cases for which the experimental assignment group was incorrectly reported to the child support system and so we could not be sure that they had experienced the correct treatment at all times. (23 cases in Cohort 1, 50 cases in Cohort 3)

We also removed cases in which the youngest child was listed as being over 18 years old on January 1, 2000. Since custodial parents were required to be living with a minor child on this date to be eligible for the survey component of CSDE and therefore were excluded from analysis in the Phase 1 Final Report, we excluded these cases from the present analyses as well for consistency. (400 cases in Cohort 1, 14 cases in Cohort 3)

These exclusions result in a final research sample of 16,003 custodial mothers in Cohort 1 and 2,235 custodial mothers in Cohort 3.

4. Are the Experimental and Control Groups Equivalent at W-2 Entry?

With the exception of the cases listed in the previous section, we believe that the random assignment of cases to experimental or control status has been implemented as intended. As such, random assignment should make the experimental and control groups comparable at the time they were assigned. Random assignment of new potential W-2 cases generally took place when the individual first inquired about the program. However, our basic evaluation strategy is to compare experimental-group and control-group cases that actually entered W-2, since the full pass-through is relevant only to those who actually entered W-2 and to those whose decision about entry was influenced by the full pass-

through. Therefore, we may be concerned that the entry decision of individuals was influenced by their research-group status. If there is no evidence that decisions to enter W-2 were affected by knowledge of research-group status, comparisons between the experimental and control groups, conditional on entering W-2, should be an appropriate measure of the effects of the full pass-through.

Potential "Diversion" Effects

For a simple comparison of later outcomes between the experimental and control groups to be valid, the experiment must have been implemented properly and the two groups must have been similar at the beginning of the policy change. We believe the experimental design has, for the most part, been implemented appropriately. Thus, we expect that the two groups will be similar, except for differences that result from chance. But two factors could lead to differences between the experimental- and control-group members of our main samples (custodial mothers demographically eligible for child support who entered W-2 within our time frame).

Our first concern is that experimental- and control-group members *might have entered W-2 at different rates.* Consider three identical individuals, A, B, and C, all of whom anticipate receiving moderate amounts of child support. All individuals apply for W-2; A is told she is in the experimental group and thus will always receive all child support paid on her child's behalf. B is told she is in the control group and thus will receive only a portion of the child support paid on her child's behalf when she is in W-2's lower tiers; and C is in the control group but is not told (or does not understand) the implications for child support. Assume A and C proceed with the application and enter W-2. When B learns that she would be able to receive only a portion of the support paid, she makes alternative plans and does not enter W-2. If this occurs, simple comparisons of experimental-group members who entered W-2 with control-group members who entered W-2 would not be valid, as control-group members who anticipated moderate amounts of child support would have been diverted, and would not have entered W-2. Our first test of the comparability of the experimental and control groups, therefore, is to examine the percentage of experimental- and control-group cases that entered within 30 days of being told about W-2. We are particularly concerned that those who anticipated fairly high amounts of child support might have entered at a different rate if they were in the experimental group than if they were in the control group.

Our second concern is that experimental- and control-group members *might have been assigned to different tiers.* Recall that those in the control group who are in lower tiers (Caretaker of Newborn, W-2 Transition, Community Service Job) receive only a portion of the support paid on their behalf, whereas control-group members in an upper tier (Trial Job, Unsubsidized Job) or off W-2 altogether and all experimental-group members, regardless of tier, receive all current support paid on their children's behalf. Continuing with the example, assume A and C have limited employment prospects, and are therefore potential candidates for a Community Service Job. If C, or her case manager, is concerned about her receiving all child support, she may be more likely to be placed in a Trial Job or an Unsubsidized Job; because C is in the control group, she would receive all support paid on her behalf only if she were placed in an upper tier. If this occurred, comparisons of experimental- and control-group cases that entered W-2 in a particular tier may not be valid. Our second test, therefore, was to examine those who entered W-2, comparing whether the experimental and control groups entered a lower or an upper tier. We were particularly concerned with whether those who anticipated high amounts of child support and who were in the control group were more likely to be placed in an upper tier than were experimental-group cases anticipating high amounts of child support.

To test each of these two concerns we compared the entire experimental group with the entire control group in both Cohort 1 and Cohort 3. We then checked whether these experimental-control comparisons differ based on the amount of prior child support, our primary concern. Finally, we tested whether the experimental and control groups entered at different rates within Milwaukee, other urban areas, and the rest of the state, given that the implementation analysis suggested that Milwaukee County cases may have been less likely to understand the implications of their experimental-group status.

<u>Were Experimental-Group Cases More Likely to Enter W-2 than Control-Group Cases?</u>

The first analysis considered whether cases entered W-2. Cases were randomly assigned to the experimental or control group either on August 31, 1997 (cases that were receiving AFDC on this date) or at application to W-2. We included all cases assigned before July 8, 1998 (Cohort 1) and all cases assigned from January 1, 1999–June 30, 1999 (Cohort 3). We divided those who received an assignment code into those who "entered" and those who were "diverted." Our definition of "diversion" is as follows: those not receiving AFDC on August 31 are considered diverted if they did not enter a W-2 tier (also called a "slot") within 30 days of their random assignment (which coincides with their initial request for assistance.) Those who were receiving AFDC on August 31 and assigned at that time could have been diverted in two ways: either they could have had a W-2 interview but not entered a W-2 slot within 30 days of that interview, or they could have stopped receiving AFDC for two or more months before they had a W-2 interview. We considered the latter group "diverted," because they had received a notice about their experimental-group status and may have chosen to enter or not enter W-2 based on their experimental or control status. Among those who were diverted, we separated those who "never" entered (by June 30, 2002) from those who did enter W-2, but not within the time frame required to be part of our analysis sample (" delayed").

Entry rates into W-2 were quite similar for the experimental and control groups. In Cohort 1, 59 percent of experimental-group and 58 percent of control-group cases entered W-2; in Cohort 3, 48 percent of experimental- and control-group cases entered W-2. Some of the diverted cases were merely delayed, but most had not entered W-2 by the end of our data collection period. There is little difference between the experimental and the control groups in the proportion delayed (in Cohort 1, 11 percent of experimental- and control-group cases; in Cohort 3, 16 percent of the experimental group and 14 percent of the control group) or the proportion that never entered (in Cohort 1, 29 percent of the experimental group and 31 percent of the control group; in Cohort 3, 36 percent of the experimental group and 38 percent of the control group).

To test whether experimental- and control-group cases have differential rates of entry into W-2 while controlling for other characteristics of these cases, we conducted a multivariate probit analysis on each cohort. Table A1.2 shows the results from the probit models for each cohort; we include an indicator for experimental group as well as a variety of other variables. In neither cohort does the coefficient on the indicator variable show any significant difference between the experimental and control group in the rate of entry. Other variables generally have the expected relationship to W-2 entry. Cohort 1 cases with a history of higher child support payments ($1,000 or more in the year prior to random assignment) were only marginally less likely to enter than those without payments; for Cohort 3 cases, having had any child support paid increased the likelihood of entry. In Cohort 1 cases, but not in Cohort 3, those in Milwaukee County were more likely to enter than those in other urban areas or rural areas. We expect that characteristics generally associated with labor market success will affect entry, as those who are most job-ready will be encouraged to seek private-sector employment.

	Cases Assigned in Cohort 1 (N=32,580)			Cases Assigned in Cohort 3 (N=5,268)		
	Coeff.	Std. Error	P-value	Coeff	Std. Error	P-value
Intercept	0.2701	0.0365	<.0001	0.4993	0.0552	<.0001
Research Code						
Experimental Group	-0.0018	0.0183	0.924	-0.0276	0.0372	0.458
Child Support Paid in Year Prior to Assignment (compared to $0)						
Low ($1-$999)	-0.0161	0.0223	0.472	0.1705	0.062	0.006
High ($1,000 or more)	-0.0359	0.0212	0.090	0.1477	0.0518	0.004
Location of Custodial Parent (compared to urban counties)						
Milwaukee County	0.3052	0.0207	<.0001	0.0519	0.0488	0.287
Rural counties	-0.0189	0.028	0.499	-0.0407	0.0556	0.464
Age of Custodial Parent at Assignment (compared to <25)						
25-30	-0.1033	0.0218	<.0001	0.0141	0.0566	0.803
31-40	-0.0765	0.0243	0.002	0.003	0.0637	0.962
41 or more	-0.1002	0.0344	0.004	-0.0497	0.0637	0.565
Gender of Custodial Parent (compared to female)						
Male	-0.1314	0.0399	0.001	-0.1377	0.0802	0.086
Race of Custodial Parent (compared to white)						
African American	0.094	0.0214	<.0001	0.1547	0.0522	0.003
Hispanic	-0.2741	0.0305	<.0001	-0.0687	0.0796	0.389
Native American	-0.0336	0.0496	0.498	0.1089	0.1269	0.391
Asian	0.0953	0.0451	0.035	-0.1012	0.1485	0.496
Other or unknown	-0.1771	0.0491	0.000	-0.0968	0.1015	0.340
AFDC Receipt Prior to Assignment (compared to 0 months)						
1-6 months	-0.0193	0.0303	0.524	0.3126	0.0587	<.0001
7-18 months	0.0685	0.0273	0.012	0.4092	0.1064	0.000
19-24 months	0.2512	0.0308	<.0001			

	Cases Assigned in Cohort 1 (N=32,580)			Cases Assigned in Cohort 3 (N=5,268)		
	Coeff.	Std. Error	P-value	Coeff	Std. Error	P-value
Number of Children at Assignment (compared to one)						
None	-0.7185	0.0545	<.0001	-1.1942	0.0924	<.0001
Two	0.0059	0.0202	0.768	-0.2278	0.0486	<.0001
Three or more	0.0212	0.0213	0.317	-0.2104	0.0547	0.000
Age of Youngest Child at Assignment (compared to under 1)						
1	-0.1673	0.0255	<.0001	-0.5967	0.0666	<.0001
2	-0.1677	0.0289	<.0001	-0.5966	0.0763	<.0001
3-5	-0.1444	0.0243	<.0001	-0.6879	0.06	<.0001
6-12	-0.124	0.0269	<.0001	-0.5655	0.0671	<.0001
13-17	-0.2637	0.0384	<.0001	-0.6977	0.0954	<.0001
Unknown	-2.8401	0.1781	<.0001	-3.33281	0.321	<.0001
Case Type (compared to active AFDC on 8/31/97)						
Temporarily inactive on 8/31/97	0.7598	0.0422	<.0001			
Assigned during 9/1/97-3/16/98	-0.5063	0.022	<.0001			
Assigned during 3/17/98-5/9/98	-0.1269	0.0374	0.001			
Assigned during 5/10/98-7/8/98	-0.1748	0.0375	<.0001			

Additional models (not shown) were run to address whether, among those with high child support in the past, experimental-group cases were more likely to enter W-2 than control-group cases. To assess this effect, we add interaction terms between experimental-group status and high child support. The coefficients on the interaction terms are not significantly different from zero, nor is the main experimental-group term for either cohort. We also ran models with interaction effects between being in the experimental group and region of residence; these also were not significant in either cohort. Thus, we find no support for the hypothesis that differential diversion occurred.

Are Experimental-Group Cases More Likely to Enter Lower Tiers than Control-Group Cases?

Our second analysis compared the initial tier placement of cases that entered. There is virtually no difference in initial tier statewide: in Cohort 1, 71 percent of cases entered the lower tiers and 29 percent entered the upper tiers within both the experimental and control groups; in Cohort 3, 75 percent of experimental-group members and 76 percent of control-group members entered in the lower tiers. We again examined this question with a multivariate model. We examined all cases that entered W-2 in a timely way (using the same definition of "entry" as in the diversion analysis), and modeled whether these cases entered in an upper or lower tier. Table A1.3 shows the estimates from the probit models. The results for both cohorts suggest that experimental-group cases did not differ from control-group cases in the likelihood of upper-tier placement. In both cohorts those with higher child support in the past were more likely to enter a higher tier, whereas those in Milwaukee County were less likely to enter in an upper tier. The other variables are generally as expected.

We also tested differential tier assignment for the experimental and control groups among those with higher levels of child support in the year prior to assignment. In Cohort 1, experimental-group members with higher child support were less likely to be placed in an upper tier than control-group members, but in Cohort 3 there was no significant difference between experimental and control groups, regardless of the level of child support. Finally, experimental- and control-group members did not differ in their rates of entry to the upper tiers within Milwaukee, other urban, or rural counties.

Overall, these results suggest that comparisons between experimental- and control-group cases that entered W-2 provide an appropriate measure of the impact of the experiment. But our analysis of tier of entry suggests that evaluations of the experimental impact conditional on entry in the lower tiers should be interpreted with caution, particularly for Cohort 1. A focus on cases entering the lower tiers was suggested by the initial evaluation plan, and is consistent with the policy—since only those in the lower tiers are potentially subject to a reduced pass-through. However, there is some evidence that in Cohort 1, initial tier assignment may be associated with research group assignment.

5.   Are the Experimental and Control Groups Equivalent in Our Final Research Population?

In Table A1.4 we examine the comparability of the experimental and control groups in the final research population. The groups could differ by chance at random assignment, they could differ if there were differential rates of entry onto W-2, or they could differ if we differentially excluded experimental-group cases in the construction of the final sample. The first two sets of columns show the characteristics of the experimental group and the control group. The final columns show the results of a multivariate test of the statistical significance of any difference. Specifically, we conducted a probit analysis in which the dependent variable is membership in the experimental group. On most dimensions we examined, the distributions for the experimental and control groups were not significantly different, as indicated by the

Table A1.3: Probit Estimate of the Probability of Entering in the Upper Tier

	Cases Entering in Cohort 1 (N=19,212)			Cases Entering in Cohort 3 (N=2,532)		
	Coeff.	Std. Error	P-value	Coeff	Std. Error	P-value
Intercept	-0.4815	0.053	<.0001	-1.4088	0.089	<.0001
Research Code						
Experimental Group	0.0002	0.0239	0.994	0.0176	0.0584	0.764
Child Support Paid in Year Prior to Assignment (compared to $0)						
Low ($1-$999)	0.1076	0.0277	0.000	0.172	0.0901	0.056
High ($1,000 or more)	0.0573	0.0272	0.035	0.0721	0.0781	0.356
Location of Custodial Parent (compared to urban counties)						
Milwaukee County	-0.3035	0.0284	<.0001	-0.3659	0.0815	<.0001
Rural counties	0.0029	0.0411	0.943	0.2407	0.0884	0.007
Age of Custodial Parent at Assignment (compared to <25)						
25-30	0.0819	0.0277	0.003	0.0766	0.0887	0.388
31-40	0.0075	0.0311	0.809	0.1289	0.101	0.202
41 or more	-0.2794	0.0471	0.000	0.0804	0.1429	0.574
Gender of Custodial Parent (compared to female)						
Male	0.1097	0.0591	0.063	0.1843	0.1317	0.162
Race of Custodial Parent (compared to white)						
African American	-0.2543	0.028	<.0001	0.1868	0.0869	0.032
Hispanic	-0.0878	0.042	0.037	-0.5342	0.1598	0.001
Native American	-0.0347	0.0679	0.610	-0.5744	0.2209	0.009
Asian	-0.2447	0.0596	<.0001	0.1082	0.2424	0.655
Other or unknown	-0.1032	0.0701	0.141	0.0105	0.1773	0.953
AFDC Receipt Prior to Assignment (compared to 0 months)						
1-6 months	0.0759	0.0469	0.105	0.1356	0.082	0.098
7-18 months	0.2077	0.0427	<.0001	-0.3365	0.1548	0.030
19-24 months	0.1418	0.0476	0.003			

	Cases Entering in Cohort 1 (N=19,212)			Cases Entering in Cohort 3 (N=2,532)		
	Coeff.	Std. Error	P-value	Coeff	Std. Error	P-value
Number of Children at Assignment (compared to one)						
None	0.6385	0.0914	<.0001	1.8571	0.169	<.0001
Two	0.1196	0.0266	<.0001	0.1107	0.0767	0.149
Three or more	0.0804	0.0278	0.004	0.184	0.0857	0.032
Age of Youngest Child at Assignment (compared to under 1)						
1	0.1898	0.0324	<.0001	0.9173	0.1039	<.0001
2	0.2016	0.0369	<.0001	1.0349	0.1151	<.0001
3-5	0.2223	0.031	<.0001	0.8165	0.0957	<.0001
6-12	0.1846	0.0346	<.0001	0.6916	0.1059	<.0001
13-17	0.0519	0.0529	0.326	0.6887	0.1531	<.0001
Unknown	-0.0821	0.629	0.896			
Case Type (compared to active AFDC on 8/31/97)						
Temporarily inactive on 8/31/97	-0.0234	0.0355	0.509			
Assigned during 9/1/97-3/16/98	-0.0349	0.0331	0.292			
Assigned during 3/17/98-5/9/98	-0.3055	0.0554	<.0001			
Assigned during 5/10/98-7/8/98	-0.3817	0.057	<.0001			

Table A1.4: Comparison of the Experimental and Control Groups in the Research Samples

	Cohort 1					Cohort 3				
	Experimental		Control			Experimental		Control		
	N	%	N	%	p-value	N	%	N	%	p-value
Total Cases	12,542		3,461			1,126		1,109		
Case Type										
AFDC	9,200	71.44	2,155	68.61	omitted					
W-2	3,342	28.56	1,306	31.39	**<.0001**	1,126	100	1,109	100	
AFDC Receipt before Entry										
None	1,516	13.2	624	14.01	omitted	922	81.18	940	84.76	omitted
1-18 months	4,179	33.61	1,178	33.23	0.934	204	18.12	169	15.24	0.419
19-24 months	6,847	53.18	1,659	52.76	0.699					
Initial Tier										
Lower tier	7,589	60.43	2,070	60.03	omitted	500	44.4	494	44.54	omitted
Caretaker of Newborn	1,030	8.63	357	9.18	0.982	362	32.15	360	32.46	0.447
Upper tier	3,923	30.95	1,034	30.79	0.847	264	23.45	255	22.99	0.915
Location of Custodial Parent										
Milwaukee county	9,349	74.16	2,509	73.91	omitted	575	51.07	566	51.04	omitted
Other urban counties	2,135	17.22	629	17.35	0.764	364	32.33	340	30.66	0.995
Rural counties and tribes	1,058	8.62	323	8.74	0.549	187	16.61	203	18.3	0.321
Age of Custodial Parent at Entry										
16-25	5,808	46.37	1,689	48.32	omitted	623	55.33	612	55.18	omitted
26-30	2,573	20.54	703	20.62	0.146	198	17.58	195	17.58	0.224
Over 30	4,159	33.07	1,068	31.03	**0.014**	305	27.09	302	27.23	0.115
Missing	2	0.02	1	0.03	0.867					
Race of Custodial Parent										
White	3,107	25.12	946	26.43	omitted	449	39.88	452	40.76	omitted
African American	7,679	60.96	2,064	60.32	0.067	533	47.34	528	47.61	0.772
Other	1,756	13.92	451	13.25	0.152	144	12.79	129	11.63	0.534

	Cohort 1					Cohort 3				
	Experimental		Control			Experimental		Control		
	N	%	N	%	p-value	N	%	N	%	p-value
Education of Custodial Parent										
Less than high school	6,619	52.51	1,763	51.4	omitted	495	43.96	467	42.11	omitted
High school degree	4,528	36.25	1,307	37.61	0.141	469	41.65	493	44.45	0.139
Beyond high school	1,213	9.79	346	9.69	0.493	154	13.68	145	13.07	0.960
Missing	182	1.45	45	1.31	0.865	8	0.71	4	0.36	0.384
Number of Children at Entry										
None or one	4,130	33.32	1,161	32.22	omitted	603	53.55	635	57.26	omitted
Two	3,616	28.84	1,033	29.93	0.072	265	23.53	254	22.9	0.767
Three or more	4,796	37.85	1,267	37.85	0.110	258	22.91	220	19.84	0.334
Age of Youngest Child at Entry										
0-2	7,258	58.02	2,046	58.58	omitted	777	69.01	786	70.87	omitted
3-5	2,272	18.02	613	18.05	0.602	128	11.37	111	10.01	0.305
6 or older	3,011	23.95	801	23.34	0.159	221	19.63	212	19.12	0.288
missing	1	0.01	1	0.02	0.366					
Average Annual Pre-Entry Earnings of Highest-Earning Noncustodial Parent										
None	2,299	18.39	651	18.89	omitted	194	17.23	165	14.88	omitted
$1-$5,000	4,357	34.68	1,219	35.74	0.778	366	32.5	333	30.03	0.517
$5,000-$15,000	2,754	21.89	745	21.52	0.729	235	20.87	241	21.73	0.108
$15,000-$25,000	1,114	8.88	311	8.99	0.625	109	9.68	127	11.45	**0.038**
$25,000 or more	533	4.3	154	4.2	0.698	86	7.64	64	5.77	0.648
No noncustodial parent	1,335	10.66	343	9.61	0.223	122	10.83	168	15.15	**0.033**
Noncustodial parent missing SSN	150	1.2	38	1.04	0.514	14	1.24	11	0.99	0.809
Child Support Paid Prior to Entry										
None	8,216	65.55	2,317	66.56	omitted	748	66.43	768	69.25	omitted
$1-$999	2,023	16.04	561	16.72	0.648	147	13.06	125	11.27	0.758
$1,000 or more	2,303	18.4	583	16.73	**0.006**	231	20.52	216	19.48	0.953

<p align="center">**Table A1.4, continued**</p>

	Cohort 1					Cohort 3				
	Experimental		Control			Experimental		Control		
	N	%	N	%	p-value	N	%	N	%	p-value
Quarters of Employment Prior to Entry										
None	2,472	19.54	635	18.87	omitted	108	9.59	125	11.27	omitted
1-6 quarters	7,557	59.85	2,054	60.83	0.816	510	45.29	505	45.54	0.241
7-8 quarters	2,510	20.58	771	20.28	0.442	507	45.03	478	43.1	0.182
Missing SSN	3	0.02	1	0.03	0.803	1	0.09	1	0.09	0.974
Number of Legal Fathers										
None	3,997	32.12	1,122	31.45	omitted	491	43.61	556	50.14	omitted
One	6,234	49.6	1,701	49.45	0.880	489	43.43	429	38.68	0.068
Two or more	2,311	18.29	638	19.1	0.492	146	12.97	124	11.18	0.159
Relationship of Custodial and Noncustodial Parents										
Marital only	1,014	8.19	271	7.56	0.142	143	12.7	133	11.99	0.837
Other	11,528	91.81	3,190	92.44	omitted	983	87.3	976	88.01	omitted
Custodial Parent Has Child Support Order at Entry										
No	5,242	42.11	1,481	41.23	omitted	676	60.04	709	63.93	omitted
Yes	7,300	57.89	1,980	58.77	0.550	450	39.96	400	36.07	0.679

Note: Probit model for Cohort 1 also includes Assignment Regime variable.

lack of statistically significant coefficients in the final column. In Cohort 1 the primary exceptions are case type/assignment periods, mother's age, and mother's child support history—where those in the experimental group were more likely to have transitioned from AFDC, were older, and were more likely to have had $1,000 or more of child support paid on their behalf in the previous year. In addition, those marginally more likely to be in the experimental group were African American, and those with two children (but not three or more). In Cohort 3, the primary exceptions were the ex-partner's earnings and the number of legal fathers; those in the experimental group were less likely to have ex-partners with earnings of $15,000–$25,000 and more likely to have a single legal father of their children. Because of these differences in initial characteristics, we conducted regression analyses to estimate the effect of the policy, as discussed below.

6.   Methods of Analysis

        The random assignment of cases to an experimental and a control group provides a powerful tool to evaluate the effects of a policy. In theory, given random assignment, simple comparisons between the experimental and control groups should provide unbiased measures of the impact of the policy. This comparison is appropriate if the groups are comparable, differing only in the pass-through policy they face. The implementation analysis, discussed in Chapter 2 of this report, suggested that the initial random assignment worked appropriately. The analysis of diversion, above, suggested there are no overall significant differences in the proportion of cases in the experimental and control groups that entered W-2 (and our research sample). The analysis of the initial characteristics of the experimental and control groups largely confirmed our expectation that they are equivalent.

        Although the experimental and control groups are not significantly different in most respects, the results in Table A1.3 suggest that there are some differences in initial characteristics. For this reason, we present regression-adjusted means, rather than simple means, in the analysis of experimental effects. This approach has a number of advantages. First, even if random assignment worked perfectly, there will be some chance difference in the initial characteristics of the experimental and control groups. Regression-adjusted means adjust for chance variation in characteristics included in the regression. The regression-adjusted difference reflects the estimated effect of experimental status (i.e., the coefficient on the indicator for experimental or control status) after accounting for differences in characteristics at entry into W-2. This approach also adjusts for any nonrandom differential assignment based on observable characteristics included among the control variables. Finally, to the extent control variables account for the variance in the outcome of interest, we are more likely to be able to discern the effect of the experiment.

        The analyses of experimental effects in this report use a standard set of control variables. The set of control variables includes assignment rate, mother's age and race, whether the mother had a history of high child support payments on her behalf, and measures of her AFDC and employment history, initial W-2 tier, location, education, and family structure. A full list of the variables and details of their specifications are included in Table A1.5.

        The regression-adjusted means reported in the experimental-impact analyses were generated as follows. First, the outcome was estimated as a function of the set of control variables, with an indicator variable for experimental status separately for each cohort. All observations from experimental and control groups were included in the regression analysis. Second, weighted mean values for each control variable were calculated for each cohort, and a predicted value for the outcome variable was generated by

evaluating the estimated regression coefficients at these means. The experimental impact and associated p-value were measured with the indicator variable for experimental status. Finally, a model combining the two cohorts was estimated, including an interaction term between experimental status and cohort. The estimates from this model were used to determine the significance of the difference in effect between the two cohorts.

TABLE A1.5
List of Control Variables Used in Regression Models

All control variables are dummy variables.

- Assignment rates
    - 20% experimental group, 20% control group, 60% not in experiment (omitted)
    - 30% experimental group, 30% control group, 40% not in experiment
    - 50% experimental group, 50% control group
- Child Support history; amount paid on behalf of the mother in the one-year period before mother entered W-2
    - $0 (omitted)
    - $1–$999
    - $1,000 or more
- Mother's age
    - 25 or younger (omitted)
    - 26–30 years
    - 31 or older
- Mother's race/ethnicity
    - White (omitted)
    - African American
    - Other
- Months of AFDC receipt during the 24-month period before mother entered W-2
    - 0 months (omitted)
    - 1–18 months
    - 19–24 months
- Region
    - Milwaukee County
    - Other urban counties
    - Rural counties (omitted)
- Initial W-2 tier
    - Upper tier (omitted)
    - Lower tier
    - Caretaker of Newborn

- Age of child; for the mothers and fathers, this is the age of the youngest child. For the mothers, this variable is based on the natural and adoptive children of the mother; for the fathers, it is based on the natural and adoptive children of the couple. For nonmarital children, this is the age of each child.

  – 0–2 years (omitted)

  – 3–5 years

  – 6 or older

- Mother's education

  – Grade 11 or less

  – High school diploma or equivalent

  – Post high school (omitted)

- Father's average annual earnings during the two-year period before mother entered W-2; for mothers, if there is more than one father, this is based on the highest-earning father.

  – $0–$14,999 (omitted)

  – $15,000 or more

- Mother's employment history; number of quarters employed during the two-year period before mother entered W-2 (not included in analyses of the fathers' sample)

  – 0 quarters (omitted)

  – 1–6 quarters

  – 7–8 quarters

Appendix 2
Cohort 2 Cases Outside Milwaukee

In the main section of the report we provide estimates of the effect of the experiment for Cohort 1 (cases entering W-2 before July 9, 1998) and Cohort 3 (cases entering W-2 between January 1, 1999, and June 30, 1999). As discussed in Appendix 1, during the time period between July 9, 1998, and January 1, 1999, the random-assignment procedure in Milwaukee County was implemented incorrectly, so that no control cases were assigned. Since 80 percent of W-2 cases enter in Milwaukee, cases from that time period were left out of the main analyses.

Cases that entered W-2 outside Milwaukee County during this time were assigned to experimental and control treatments correctly, so in this appendix we present estimates of the experimental effect among Cohort 2 cases in all counties except for Milwaukee. The total sample is 1,069 mothers, 704 fathers, and 740 children in need of paternity establishment. Estimates for the first year after entry in this section can be compared to the Cohort 1 and 3 estimates for the subgroup of cases outside Milwaukee in the main section of the report. Quarterly estimates of the Cohort 2 effects are shown through the sixth quarter after entry. Cohort 2 cases after this point will be affected by the September 2000 implementation error which allowed control cases on W-2 to be eligible for the full pass-through.

Because of the smaller number of cases in this time period we would not expect to find as many significant experimental effects in Cohort 2. For example, the difference in the amount of child support received over the first year after entry by custodial mothers is only marginally significant, although the amount of excess support received by Cohort 2 mothers was about the same as Cohort 1 cases outside Milwaukee ($187 in Cohort 2, from Table A2.17, versus $183 in Cohort 1 and $120 in Cohort 3, from Table 3.19). Similarly, the amount of child support paid by legal fathers in the first year after entry is marginally significant among these Cohort 2 cases, but the size of the experimental effect is larger than in either Cohort 1 or Cohort 3 cases outside Milwaukee ($207 in Cohort 2, Table A2.9; it is $111 in Cohort 1, and $15 in Cohort 3, Table 3.11).

There are few other significant effects seen in these cases, with one interesting exception. The strongest finding is the effect of the full pass-though policy on noncustodial fathers' earnings. In the first year after entry, full pass-through cases are 7 percentage points more likely to have any earnings than partial pass-through cases (66 percent to 59 percent) and the average earnings are $1,300 greater (Tables A2.33 and A2.35). Most interesting, experimental fathers in Cohort 1 and Cohort 3 outside Milwaukee are not significantly different in their likelihood of having earnings, and Cohort 1 experimental cases outside Milwaukee have significantly lower earnings than control cases (by $591, Table 3.37).

Table A2.1: Paternity Establishment among Children without Legal Fathers at Entry

| | Cohort 2 - Outside Milwaukee County | | | |
Time Period	Experimental Group (N=363)	Control Group (N=377)	Impact	P-value
Quarter Mother Entered W-2	2.4%	2.5%	0.0%	0.983
1st Quarter after Entry	12.2	14.4	-2.1	0.398
2nd Quarter after Entry	17.5	23.9	**-6.4**	**0.045**
3rd Quarter after Entry	22.1	30.6	**-8.4**	**0.018**
4th Quarter after Entry	28.1	34.4	-6.3	0.101
5th Quarter after Entry	32.1	39.6	-7.5	0.061
6th Quarter after Entry	34.6	43.6	**-9.0**	**0.030**
1st Year after Entry	28.1%	34.4%	-6.3%	0.101

Table A2.2: Paternity Establishment among Children without Legal Fathers at Entry, by Subgroup

| | Cohort 2 - Outside Milwaukee County | | | |
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=284)	(N=296)		
1st Year after Entry	31.8%	39.5%	-7.7%	0.090
Higher Child Support History	(N=45)	(N=67)		
1st Year after Entry	8.5%	1.7%	6.8%	0.057
Mother Entered in Lower Tier	(N=80)	(N=96)		
1st Year after Entry	11.9%	8.3%	3.6%	0.528

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A2.3: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry)

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=314)	Control Group (N=318)	Impact	P-value
Quarter Mother Entered W-2	8.5%	10.1%	-1.6%	0.490
1st Quarter after Entry	8.5	10.1	-1.6	0.490
2nd Quarter after Entry	18.3	22.3	-4.1	0.218
3rd Quarter after Entry	24.8	30.2	-5.4	0.146
4th Quarter after Entry	31.5	34.6	-3.1	0.428
5th Quarter after Entry	36.2	39.8	-3.6	0.384
6th Quarter after Entry	37.1	42.0	-4.9	0.237
1st Year after Entry	33.9%	36.4%	-2.6%	0.523

Table A2.4: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry), by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=268)	(N=278)		
1st Year after Entry	36.3%	36.5%	-0.2%	0.965
Higher Child Support History	(N=16)	(N=13)		
1st Year after Entry	0.0%	100.0%	-100.0%	1.000
Mother Entered in Lower Tier	(N=76)	(N=86)		
1st Year after Entry	22.6%	29.5%	-6.9%	0.414

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A2.5: Amounts of Child Support Owed to Custodial Mothers

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	$309	$298	$11	0.580
1st Quarter after Entry	365	372	-7	0.780
2nd Quarter after Entry	417	447	-29	0.312
3rd Quarter after Entry	475	513	-38	0.229
4th Quarter after Entry	519	537	-18	0.593
5th Quarter after Entry	530	546	-16	0.619
6th Quarter after Entry	547	562	-15	0.658
1st Year after Entry	$1,775	$1,868	$-92	0.395

Table A2.6: Amounts of Child Support Owed to Custodial Mothers, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$1,573	$1,675	$-102	0.387
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$3,865	$3,809	$56	0.856
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$1,887	$2,056	$-169	0.389

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.7: Percentage of Legal Fathers Paying Child Support

| | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group (N=425)	Control Group (N=386)	Impact	P-value
Time Period				
Quarter Mother Entered W-2	40.6%	38.8%	1.9%	0.673
1st Quarter after Entry	51.2	50.3	0.9	0.835
2nd Quarter after Entry	56.2	50.6	5.6	0.180
3rd Quarter after Entry	53.1	55.4	-2.3	0.563
4th Quarter after Entry	56.3	52.0	4.3	0.270
5th Quarter after Entry	59.2	55.4	3.8	0.326
6th Quarter after Entry	59.8	59.7	0.0	0.996
1st Year after Entry	74.1%	72.9%	1.2%	0.734

Table A2.8: Percentage of Legal Fathers Paying Child Support, by Subgroup

| | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group	Control Group	Impact	P-value
Subgroup				
Mother Has No Recent AFDC History	(N=263)	(N=249)		
1st Year after Entry	73.1%	72.6%	0.5%	0.915
Higher Child Support History	(N=185)	(N=174)		
1st Year after Entry	100.0%	100.0%	0.0%	1.000
Mother Entered in Lower Tier	(N=174)	(N=145)		
1st Year after Entry	72.3%	78.2%	-6.0%	0.321

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A2.9: Amounts of Child Support Paid by Legal Fathers

Time Period	Experimental Group (N=425)	Control Group (N=386)	Impact	P-value
	Cohort 2 - Outside Milwaukee County			
Quarter Mother Entered W-2	$288	$251	$37	0.136
1st Quarter after Entry	355	304	52	0.105
2nd Quarter after Entry	432	379	53	0.204
3rd Quarter after Entry	444	404	40	0.380
4th Quarter after Entry	405	342	63	0.078
5th Quarter after Entry	416	373	44	0.263
6th Quarter after Entry	456	442	14	0.733
1st Year after Entry	$1,636	$1,430	$207	0.091

Table A2.10: Amounts of Child Support Paid by Legal Fathers, by Subgroup

Subgroup	Experimental Group	Control Group	Impact	P-value
	Cohort 2 - Outside Milwaukee County			
Mother Has No Recent AFDC History	(N=263)	(N=249)		
1st Year after Entry	$1,700	$1,496	$203	0.207
Higher Child Support History	(N=185)	(N=174)		
1st Year after Entry	$3,184	$3,023	$160	0.546
Mother Entered in Lower Tier	(N=174)	(N=145)		
1st Year after Entry	$1,674	$1,693	$-20	0.919

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.11: Percentage of Custodial Mothers for Whom Child Support Was Paid

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	22.2%	20.1%	2.1%	0.559
1st Quarter after Entry	38.9	39.4	-0.4	0.910
2nd Quarter after Entry	48.9	47.7	1.2	0.747
3rd Quarter after Entry	49.4	53.3	-3.9	0.275
4th Quarter after Entry	54.0	54.0	0.0	0.995
5th Quarter after Entry	59.2	59.1	0.0	0.992
6th Quarter after Entry	63.1	62.5	0.6	0.862
1st Year after Entry	68.7%	70.7%	-2.0%	0.542

Table A2.12: Percentage of Custodial Mothers for Whom Child Support Was Paid, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	63.9%	65.6%	-1.7%	0.669
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	100.0%	100.0%	0.0%	0.553
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	69.9%	74.5%	-4.7%	0.479

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A2.13: Amounts of Child Support Paid on Behalf of Custodial Mothers

	Cohort 2 - Outside Milwaukee County			
Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	$231	$211	$20	0.286
1st Quarter after Entry	310	266	44	0.088
2nd Quarter after Entry	392	363	28	0.392
3rd Quarter after Entry	426	422	4	0.923
4th Quarter after Entry	409	394	16	0.626
5th Quarter after Entry	457	442	15	0.697
6th Quarter after Entry	543	547	-4	0.925
1st Year after Entry	$1,537	$1,445	$92	0.373

Table A2.14: Amounts of Child Support Paid on Behalf of Custodial Mothers, by Subgroup

	Cohort 2 - Outside Milwaukee County			
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$1,370	$1,305	$65	0.569
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$4,020	$3,630	$389	0.206
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$1,805	$1,863	$-59	0.767

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A2.15: Percentage of Custodial Mothers Receiving Child Support

	Cohort 2 - Outside Milwaukee County			
Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	13.3%	11.6%	1.6%	0.546
1st Quarter after Entry	30.3	30.8	-0.4	0.901
2nd Quarter after Entry	40.4	38.8	1.7	0.637
3rd Quarter after Entry	41.7	44.6	-2.9	0.410
4th Quarter after Entry	48.4	45.8	2.6	0.458
5th Quarter after Entry	49.9	49.2	0.8	0.820
6th Quarter after Entry	52.5	52.3	0.1	0.967
1st Year after Entry	59.3%	59.1%	0.2%	0.956

Table A2.16: Percentage of Custodial Mothers Receiving Child Support, by Subgroup

	Cohort 2 - Outside Milwaukee County			
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	54.5%	54.3%	0.1%	0.975
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	98.4%	99.1%	-0.7%	0.537
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	65.1%	65.6%	-0.5%	0.948

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A2.17: Amounts of Child Support Received by Custodial Mothers

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	$207	$168	**$40**	**0.026**
1st Quarter after Entry	265	197	**68**	**0.003**
2nd Quarter after Entry	308	268	40	0.129
3rd Quarter after Entry	365	323	42	0.223
4th Quarter after Entry	375	339	37	0.229
5th Quarter after Entry	401	380	22	0.530
6th Quarter after Entry	428	423	5	0.887
1st Year after Entry	$1,313	$1,126	$187	0.052

Table A2.18: Amounts of Child Support Received by Custodial Mothers, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$1,213	$1,054	$158	0.140
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$3,454	$2,766	**$687**	**0.020**
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$1,512	$1,372	$140	0.437

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.19: Custodial Mothers Receiving W-2 Grants

	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group		
Time Period	(N=541)	(N=528)	Impact	P-value
Quarter Mother Entered W-2	64.8%	67.9%	-3.1%	0.370
1st Quarter after Entry	68.3	63.3	5.0	0.130
2nd Quarter after Entry	20.6	19.3	1.3	0.628
3rd Quarter after Entry	10.4	10.0	0.4	0.830
4th Quarter after Entry	6.0	6.9	-0.9	0.548
5th Quarter after Entry	7.1	5.7	1.3	0.372
6th Quarter after Entry	5.4	4.0	1.4	0.286
1st Year after Entry	71.1%	67.4%	3.7%	0.237

Table A2.20: Custodial Mothers Receiving W-2 Grants, by Subgroup

	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group		
Subgroup			Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	72.4%	69.4%	3.1%	0.392
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	72.7%	70.0%	2.7%	0.694
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	92.3%	86.1%	6.2%	0.089

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.21: Custodial Mothers Receiving Food Stamps

	Cohort 2 - Outside Milwaukee County			
Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	76.8%	81.3%	-4.6%	0.077
1st Quarter after Entry	75.2	77.9	-2.7	0.320
2nd Quarter after Entry	63.8	61.4	2.4	0.427
3rd Quarter after Entry	51.4	49.5	2.0	0.529
4th Quarter after Entry	46.5	46.7	-0.2	0.950
5th Quarter after Entry	44.7	43.0	1.7	0.588
6th Quarter after Entry	43.8	43.6	0.2	0.952
1st Year after Entry	86.6%	86.3%	0.3%	0.886

Table A2.22: Custodial Mothers Receiving Food Stamps, by Subgroup

	Cohort 2 - Outside Milwaukee County			
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	86.6%	84.8%	1.9%	0.454
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	97.2%	98.6%	-1.4%	0.235
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	93.8%	96.3%	-2.5%	0.291

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.23: Custodial Mothers Receiving Medicaid and BadgerCare

| | Cohort 2 - Outside Milwaukee County | | | |
Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	96.8%	98.0%	-1.2%	0.189
1st Quarter after Entry	96.2	97.3	-1.1	0.297
2nd Quarter after Entry	90.6	90.0	0.6	0.732
3rd Quarter after Entry	87.0	84.5	2.5	0.254
4th Quarter after Entry	82.4	78.3	4.0	0.105
5th Quarter after Entry	76.6	73.9	2.7	0.317
6th Quarter after Entry	71.4	73.2	-1.8	0.523
1st Year after Entry	98.0%	98.5%	-0.5%	0.509

Table A2.24: Custodial Mothers Receiving Medicaid and BadgerCare, by Subgroup

| | Cohort 2 - Outside Milwaukee County | | | |
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	97.4%	98.2%	-0.8%	0.411
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	100.0%	100.0%	0.0%	.
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	100.0%	100.0%	0.0%	0.958

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.25: Custodial Mothers Receiving Child Care Subsidies

	Cohort 2 - Outside Milwaukee County			
Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	12.3%	12.8%	-0.6%	0.779
1st Quarter after Entry	28.9	25.4	3.5	0.213
2nd Quarter after Entry	32.1	28.2	3.9	0.183
3rd Quarter after Entry	29.7	26.4	3.3	0.244
4th Quarter after Entry	26.3	25.2	1.1	0.684
5th Quarter after Entry	24.9	21.0	3.9	0.146
6th Quarter after Entry	24.0	23.2	0.8	0.775
1st Year after Entry	45.7%	42.1%	3.6%	0.258

Table A2.26: Custodial Mothers Receiving Child Care Subsidies, by Subgroup

	Cohort 2 - Outside Milwaukee County			
Subgroup	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	41.2%	40.9%	0.3%	0.934
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	38.8%	31.4%	7.5%	0.274
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	40.5%	29.6%	10.9%	0.083

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A2.27: Percentage of Custodial Mothers with Earnings

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	71.1%	65.9%	5.2%	0.088
1st Quarter after Entry	63.9	66.1	-2.2	0.476
2nd Quarter after Entry	71.0	66.1	5.0	0.096
3rd Quarter after Entry	73.6	70.6	3.0	0.290
4th Quarter after Entry	74.5	73.7	0.8	0.761
5th Quarter after Entry	71.2	71.5	-0.2	0.941
6th Quarter after Entry	71.1	69.7	1.4	0.628
1st Year after Entry	89.6%	90.1%	-0.5%	0.782

Table A2.28: Percentage of Custodial Mothers with Earnings, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	91.7%	90.1%	1.6%	0.422
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	88.8%	87.5%	1.4%	0.751
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	82.9%	80.0%	2.9%	0.542

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A2.29: Amounts Earned by Custodial Mothers

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Quarter Mother Entered W-2	$989	$894	$95	0.165
1st Quarter after Entry	1,082	1,117	-35	0.679
2nd Quarter after Entry	1,494	1,305	**189**	**0.040**
3rd Quarter after Entry	1,679	1,565	113	0.278
4th Quarter after Entry	1,833	1,783	49	0.657
5th Quarter after Entry	1,821	1,880	-60	0.613
6th Quarter after Entry	1,889	1,776	112	0.343
1st Year after Entry	$6,087	$5,770	$316	0.342

Table A2.30: Amounts Earned by Custodial Mothers, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$6,277	$5,710	$567	0.145
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$5,923	$5,452	$470	0.515
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$4,216	$4,057	$159	0.779

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A2.31: Total Income of Custodial Mothers

Time Period	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
	Cohort 2 - Outside Milwaukee County			
Quarter Mother Entered W-2	$2,004	$1,959	$46	0.513
1st Quarter after Entry	2,522	2,445	77	0.353
2nd Quarter after Entry	2,407	2,177	**230**	**0.013**
3rd Quarter after Entry	2,450	2,306	143	0.188
4th Quarter after Entry	2,560	2,465	95	0.399
5th Quarter after Entry	2,545	2,567	-22	0.857
6th Quarter after Entry	2,625	2,507	118	0.333
1st Year after Entry	$9,938	$9,393	$545	0.104

Table A2.32: Total Income of Custodial Mothers, by Subgroup

Subgroup	Experimental Group	Control Group	Impact	P-value
	Cohort 2 - Outside Milwaukee County			
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$9,986	$9,240	$746	0.055
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$11,955	$11,092	$863	0.245
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$9,368	$9,196	$172	0.761

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A2.33: Percentage of Legal Noncustodial Fathers with Earnings

Time Period	Cohort 2 - Outside Milwaukee County			
	Experimental Group (N=420)	Control Group (N=382)	Impact	P-value
Quarter Mother Entered W-2	57.4%	52.4%	5.0%	0.205
1st Quarter after Entry	54.4	48.0	6.4	0.098
2nd Quarter after Entry	54.2	46.8	7.4	0.057
3rd Quarter after Entry	55.6	48.4	7.3	0.061
4th Quarter after Entry	54.7	48.8	5.9	0.128
5th Quarter after Entry	52.8	50.0	2.8	0.474
6th Quarter after Entry	51.2	52.0	-0.8	0.838
1st Year after Entry	66.0%	58.9%	7.1%	0.057

Table A2.34: Percentage of Legal Noncustodial Fathers with Earnings, by Subgroup

Subgroup	Cohort 2 - Outside Milwaukee County			
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=259)	(N=246)		
1st Year after Entry	68.6%	66.6%	2.0%	0.665
Higher Child Support History	(N=184)	(N=174)		
1st Year after Entry	78.4%	70.5%	8.0%	0.181
Mother Entered in Lower Tier	(N=170)	(N=142)		
1st Year after Entry	71.7%	62.7%	9.0%	0.150

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table A2.35: Amounts Earned by Legal Noncustodial Fathers

| Time Period | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group (N=420)	Control Group (N=382)	Impact	P-value
Quarter Mother Entered W-2	$2,440	$2,063	**$377**	**0.030**
1st Quarter after Entry	2,325	1,933	**392**	**0.030**
2nd Quarter after Entry	2,301	1,873	**428**	**0.012**
3rd Quarter after Entry	2,400	2,116	284	0.116
4th Quarter after Entry	2,486	2,284	202	0.314
5th Quarter after Entry	2,437	2,247	190	0.333
6th Quarter after Entry	2,428	2,226	202	0.321
1st Year after Entry	$9,512	$8,205	**$1,307**	**0.049**

Table A2.36: Amounts Earned by Legal Noncustodial Fathers, by Subgroup

| Subgroup | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group	Control Group	Impact	P-value
Mother Has No Recent AFDC History	(N=259)	(N=246)		
1st Year after Entry	$10,413	$9,558	$856	0.306
Higher Child Support History	(N=184)	(N=174)		
1st Year after Entry	$14,819	$12,543	$2,276	0.148
Mother Entered in Lower Tier	(N=170)	(N=142)		
1st Year after Entry	$11,084	$9,545	$1,539	0.159

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table A2.37: Net Government Costs for Custodial Mothers

| | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group (N=541)	Control Group (N=528)	Impact	P-value
Time Period				
Quarter Mother Entered W-2	$1,786	$1,875	$-88	0.115
1st Quarter after Entry	2,344	2,236	108	0.135
2nd Quarter after Entry	1,742	1,692	51	0.563
3rd Quarter after Entry	1,524	1,462	62	0.465
4th Quarter after Entry	1,470	1,437	32	0.713
5th Quarter after Entry	1,397	1,320	77	0.384
6th Quarter after Entry	1,323	1,285	38	0.684
1st Year after Entry	$7,079	$6,826	$253	0.373

Table A2.38: Net Government Costs for Custodial Mothers, by Subgroup

| | Cohort 2 - Outside Milwaukee County | | | |
	Experimental Group	Control Group	Impact	P-value
Subgroup				
Mother Has No Recent AFDC History	(N=412)	(N=407)		
1st Year after Entry	$6,691	$6,490	$201	0.506
Higher Child Support History	(N=133)	(N=130)		
1st Year after Entry	$7,398	$7,318	$80	0.903
Mother Entered in Lower Tier	(N=168)	(N=167)		
1st Year after Entry	$8,295	$8,060	$234	0.672

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Appendix 3
Longer-Term Outcomes for Cohorts 1 and 3

As discussed in Appendix 1, we limited the analysis of outcomes in the main section of this report through the fourth quarter after entry, because outcomes after this point will be affected by the September 2000 implementation error which allowed control cases on W-2 to be eligible for the full pass-through. This error in treatment affected almost all control cases which were on W-2 from September 2000 to February 2001, in all, 1,398 control cases. This error not only affects our ability to determine the effect of the full pass-through policy during the time period of the error, but might also affect participant behavior even after the pass-through error was corrected. For this reason we confined our analyses in the main section of the paper to the time periods which preceded this error.

There is no easy correction to the data to allow us to look at longer-term outcomes without concern that our results are being influenced by the correction instead of by the effect of the experiment alone. One possibility we considered was to delete those control cases which were exposed to the incorrect treatment and for which any child support was paid during that time (they therefore actually received more money than they should have). But if we do so we are deleting cases from the sample based on the outcome of interest—child support receipt. If we then found that control cases received less child support than experimental cases we could not be sure if this was an effect of the experimental treatment or was simply a result of our deleting cases.

The second solution we considered was to delete all the cases from our sample which were exposed to the possibility of incorrect full pass-through, whether they received any child support or not. This solution is not quite so problematic as the first, but we would still be deleting almost all control cases on W-2 during that time period. Since W-2 receipt is one of our outcomes of interest, our results for that outcome would be subject to the same concern as the outcome for those who had received any child support. To the extent that W-2 receipt is associated with other outcomes of interest, such as child support receipt and payments, we would also be concerned about our findings on those outcomes. We know that W-2 receipt almost certainly is related to child support payments and receipt, so this second solution is not much better than the first. Since no deletion of cases could correct for the effects of this implementation error, we confined our main analyses to outcomes which occurred before the data error.

That being said, we were still interested in longer-term effects of the experiment, so we present in this appendix tables for all of the outcomes presented in the main section of the paper, followed for 16 quarters (4 years) past entry for Cohort 1 cases, and 12 quarters (3 years) past entry for Cohort 3 cases. Results through the 4th quarter after entry are the same as shown in the main section. For Cohort 1, results through the 8th quarter (and 2nd year) after entry occur before the implementation error described above; results after this point are likely affected by this error. For Cohort 3 only the results presented in the main section (through the 4th quarter and 1st year after entry) occur before the implementation error. Results for time periods that occur after the implementation error are quite problematic for the reasons stated above, so these longer-term estimates should be treated with quite a bit of caution. As such we will not describe all of the results presented, but there are a few common trends worth noting.

We note first that in the amount of child support received (Table A3.17), the outcome which reflects the mechanical effect of the experimental treatment, we can see the effects of the implementation error. The decline in the quarterly effect of the experiment as of the 10th quarter after entry for Cohort 1 cases is fairly dramatic and sustained, although the experimental effect does begin to be significant again in the 15th and 16th quarters after entry. The pattern for Cohort 3 cases is somewhat different; the

quarterly experimental effect loses significance in the 4th quarter after entry, becomes marginally significant in the 5th and 6th quarter after entry, eventually losing significance again. For Cohort 3 the implementation error occurred during either the 5th through 7th or the 6th through 8th quarters after entry. We should note that when examined at an annual level the mechanical effects of the experiment do remain significant throughout this period, reflecting the fact that the implementation error lasted for just 6 months, split across two years.

In the main section of this report, we found that the overall effect of the experiment on the father's likelihood of paying child support (Table A3.8) was marginally significant in the first year after entry. Among Cohort 1 cases this effect was significant in the second year after entry (and even in the third year after entry, although the third year includes some of the time during the implementation error). This finding confirms earlier results from the Phase 1 report, which showed that this effect was not significant in 1998 for Cohort 1 fathers, but was significant in 1999. These differences in the second and third years after entry appear for all the subgroups of Cohort 1 (Table A3.8). Note, though, that fathers in the experimental group in the later cohort were less likely to pay in the third year after entry.

Another finding of interest is that W-2 grant receipt (Table A3.19), which in Cohort 1 cases was significantly higher for experimental cases in the first year after entry, is not significantly different in subsequent years. On the other hand, our finding in Cohort 1 that mothers in the experimental group had higher incomes in the first year after entry persists and even increases in the second year (Table A3.31).

Finally, the implementation error should bias our findings toward *no* experimental effect, in that many cases in the control group were being treated as if they were in the experimental group. In this context, the findings in Table A3.1, which show that children of mothers in the experimental group in Cohort 3 were more likely to have paternity established, even in the second and third year after entry, is especially important.

Table A3.1: Paternity Establishment among Children without Legal Fathers at Entry

| Time Period | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group (N=12,999)	Control Group (N=2,774)	Impact	P-value	Experimental Group (N=879)	Control Group (N=753)	Impact	P-value	P-value
Quarter Mother Entered W-2	3.7%	3.3%	0.4%	0.238	4.3%	3.6%	0.7%	0.452	0.994
1st Quarter after Entry	7.8	6.8	**1.0**	**0.049**	15.0	13.0	2.0	0.222	0.881
2nd Quarter after Entry	11.2	9.9	**1.3**	**0.031**	25.3	21.7	3.6	0.080	0.581
3rd Quarter after Entry	13.7	12.4	**1.3**	**0.041**	31.5	27.2	4.3	0.055	0.423
4th Quarter after Entry	16.2	14.7	**1.5**	**0.039**	37.0	32.6	4.4	0.061	0.377
5th Quarter after Entry	18.7	17.7	1.0	0.185	40.7	34.8	**6.0**	**0.013**	0.086
6th Quarter after Entry	21.5	20.8	0.7	0.357	43.0	38.0	**5.0**	**0.040**	0.112
7th Quarter after Entry	23.9	23.3	0.6	0.482	45.8	40.0	**5.8**	**0.019**	**0.048**
8th Quarter after Entry	26.2	25.9	0.4	0.679	48.1	42.5	**5.6**	**0.025**	0.055
9th Quarter after Entry	28.6	28.1	0.5	0.577	50.8	44.8	**6.0**	**0.016**	**0.048**
10th Quarter after Entry	30.5	30.6	-0.1	0.902	53.2	48.2	**5.1**	**0.043**	0.051
11th Quarter after Entry	32.3	33.0	-0.8	0.404	55.4	50.9	4.5	0.075	**0.044**
12th Quarter after Entry	34.3	35.6	-1.3	0.177	58.2	52.6	**5.6**	**0.024**	**0.008**
13th Quarter after Entry	36.6	37.3	-0.7	0.438					
14th Quarter after Entry	38.9	39.8	-0.9	0.346					
15th Quarter after Entry	42.1	42.9	-0.8	0.407					
16th Quarter after Entry	45.2	46.2	-1.0	0.345					
1st Year after Entry	16.2%	14.7%	**1.5%**	**0.039**	37.0%	32.6%	4.4%	0.061	0.377
2nd Year after Entry	26.2	25.9	0.4	0.679	48.1	42.5	**5.6**	**0.025**	**0.055**
3rd Year after Entry	34.3	35.6	-1.3	0.177	58.2	52.6	**5.6**	**0.024**	**0.008**
4th Year after Entry	45.2	46.2	-1.0	0.345					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.2: Paternity Establishment among Children without Legal Fathers at Entry, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,270)	(N=471)			(N=698)	(N=629)			
1st Year after Entry	29.1%	22.3%	**6.8%**	**0.006**	39.4%	37.2%	2.2%	0.417	0.153
2nd Year after Entry	41.5	33.2	**8.4**	**0.002**	50.4	46.8	3.6	0.185	0.311
3rd Year after Entry	49.1	43.1	5.9	**0.037**	59.7	56.2	3.5	0.195	0.640
4th Year after Entry	55.9	49.1	6.8	**0.017**					
Higher Child Support History	(N=1,548)	(N=305)			(N=92)	(N=99)			
1st Year after Entry	17.1%	12.2%	**4.8%**	**0.022**	28.3%	36.5%	-8.2%	0.323	0.289
2nd Year after Entry	28.2	21.9	**6.3**	**0.015**	43.4	50.3	-6.9	0.440	0.316
3rd Year after Entry	36.3	32.4	4.0	0.166	64.3	59.5	4.8	0.571	0.758
4th Year after Entry	51.5	50.1	1.4	0.652					
Mother Entered in Lower Tier	(N=8,142)	(N=1,628)			(N=359)	(N=287)			
1st Year after Entry	14.0%	12.8%	1.2%	0.151	27.2%	19.8%	**7.4%**	**0.021**	0.184
2nd Year after Entry	23.2	22.6	0.6	0.548	35.9	30.4	5.5	0.131	0.311
3rd Year after Entry	31.2	32.4	-1.2	0.315	47.2	41.8	5.5	0.156	0.086
4th Year after Entry	42.2	43.5	-1.3	0.290					
Mother Entered Outside Milwaukee	(N=2,634)	(N=720)			(N=354)	(N=351)			
1st Year after Entry	24.8%	22.0%	2.8%	0.128	46.9%	33.8%	**13.1%**	**0.001**	**0.042**
2nd Year after Entry	34.1	32.5	1.6	0.435	55.6	42.4	13.2	**0.002**	**0.020**
3rd Year after Entry	39.7	41.4	-1.8	0.424	62.9	51.4	11.5	**0.005**	**0.009**
4th Year after Entry	46.2	47.3	-1.1	0.632					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.3: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry)

Time Period	Cohort 1 Experimental Group (N=5,872)	Control Group (N=1,624)	Impact	P-value	Cohort 3 Experimental Group (N=702)	Control Group (N=733)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		
1st Quarter after Entry	4.6	3.9	0.6	0.248	7.7	9.9	-2.2	0.137	0.066
2nd Quarter after Entry	9.4	7.9	1.5	0.062	17.8	17.8	-0.1	0.975	0.283
3rd Quarter after Entry	12.5	10.9	1.6	0.078	24.5	26.2	-1.8	0.457	0.093
4th Quarter after Entry	14.5	14.2	0.3	0.761	28.6	30.9	-2.3	0.359	0.313
5th Quarter after Entry	17.1	17.0	0.1	0.912	32.6	33.0	-0.4	0.881	0.774
6th Quarter after Entry	19.8	19.3	0.5	0.690	34.9	36.7	-1.8	0.494	0.371
7th Quarter after Entry	22.5	21.6	0.8	0.493	38.0	39.1	-1.1	0.693	0.465
8th Quarter after Entry	24.9	23.9	1.0	0.410	39.3	40.3	-1.0	0.704	0.486
9th Quarter after Entry	27.2	26.0	1.2	0.351	40.1	43.5	-3.4	0.216	0.129
10th Quarter after Entry	28.6	28.1	0.5	0.696	41.4	44.5	-3.1	0.250	0.236
11th Quarter after Entry	30.2	29.8	0.4	0.771	41.7	45.4	-3.8	0.170	0.174
12th Quarter after Entry	31.6	30.7	0.9	0.512	44.3	49.2	-4.9	0.077	0.066
13th Quarter after Entry	33.1	32.2	1.0	0.488					
14th Quarter after Entry	34.5	33.9	0.6	0.668					
15th Quarter after Entry	35.7	34.9	0.8	0.570					
16th Quarter after Entry	37.2	36.2	1.0	0.508					
1st Year after Entry	15.7%	15.2%	0.5%	0.641	30.9%	32.3%	-1.5%	0.564	0.440
2nd Year after Entry	26.5	26.0	0.5	0.711	41.6	43.3	-1.7	0.525	0.499
3rd Year after Entry	34.4	34.1	0.3	0.843	46.5	52.1	**-5.6**	**0.044**	0.060
4th Year after Entry	40.1	39.4	0.7	0.613					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.4: Percentage of Mothers with Child Support Orders (Mothers with No Child Support Order in the Quarter of Entry), by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1,141)	(N=458)			(N=624)	(N=659)			
1st Year after Entry	26.0%	25.4%	0.6%	0.822	30.5%	32.8%	-2.2%	0.405	0.356
2nd Year after Entry	39.5	38.0	1.5	0.604	42.0	44.0	-2.0	0.485	0.327
3rd Year after Entry	46.5	41.7	4.8	0.107	47.5	52.8	-5.4	0.067	**0.009**
4th Year after Entry	51.2	47.1	4.1	0.174					
Higher Child Support History	(N=182)	(N=40)			(N=27)	(N=32)			
1st Year after Entry	18.9%	13.3%	5.6%	0.448	27.2%	23.5%	3.8%	0.864	0.883
2nd Year after Entry	35.2	19.5	15.8	0.080	17.9	14.2	3.8	0.823	0.346
3rd Year after Entry	44.2	23.7	**20.5**	**0.040**	53.3	79.6	-26.3	0.446	**0.037**
4th Year after Entry	49.4	34.0	15.4	0.124					
Mother Entered in Lower Tier	(N=3,547)	(N=960)			(N=272)	(N=304)			
1st Year after Entry	12.9%	13.5%	-0.6%	0.631	25.9%	25.2%	0.7%	0.858	0.792
2nd Year after Entry	23.1	22.6	0.5	0.764	34.6	34.2	0.3	0.938	0.984
3rd Year after Entry	30.8	30.3	0.5	0.794	37.7	42.2	-4.5	0.300	0.306
4th Year after Entry	36.7	36.0	0.8	0.685					
Mother Entered Outside Milwaukee	(N=1,610)	(N=494)			(N=326)	(N=339)			
1st Year after Entry	26.5%	24.1%	2.3%	0.328	38.1%	36.9%	1.2%	0.767	0.725
2nd Year after Entry	38.5	35.2	3.4	0.211	47.6	51.3	-3.7	0.370	0.168
3rd Year after Entry	44.0	40.9	3.1	0.260	52.0	58.1	-6.1	0.137	0.054
4th Year after Entry	47.7	44.8	2.9	0.293					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.5: Amounts of Child Support Owed to Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$333	$332	$0	0.952	$269	$239	$29	**0.024**	**0.043**
1st Quarter after Entry	350	349	0	0.940	317	298	19	0.212	0.187
2nd Quarter after Entry	376	365	11	0.114	376	354	22	0.240	0.502
3rd Quarter after Entry	393	384	9	0.208	414	394	20	0.320	0.556
4th Quarter after Entry	407	401	6	0.429	432	411	21	0.303	0.435
5th Quarter after Entry	412	409	3	0.717	467	434	33	0.126	0.094
6th Quarter after Entry	431	426	4	0.604	485	456	29	0.191	0.208
7th Quarter after Entry	442	436	6	0.462	500	472	29	0.213	0.276
8th Quarter after Entry	452	449	3	0.708	507	477	30	0.196	0.198
9th Quarter after Entry	457	456	1	0.929	512	498	14	0.555	0.520
10th Quarter after Entry	470	475	-4	0.634	523	505	18	0.439	0.316
11th Quarter after Entry	479	485	-6	0.539	507	504	3	0.912	0.712
12th Quarter after Entry	491	490	1	0.934	509	516	-7	0.754	0.718
13th Quarter after Entry	496	499	-3	0.714					
14th Quarter after Entry	509	510	-1	0.934					
15th Quarter after Entry	514	517	-3	0.758					
16th Quarter after Entry	517	523	-5	0.598					
1st Year after Entry	$1,526	$1,499	$27	0.312	$1,539	$1,457	$82	0.228	0.378
2nd Year after Entry	1,737	1,720	17	0.598	1,960	1,839	121	0.160	0.165
3rd Year after Entry	1,897	1,905	-8	0.809	2,050	2,023	27	0.755	0.669
4th Year after Entry	2,037	2,049	-12	0.737					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.6: Amounts of Child Support Owed to Custodial Mothers, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	$1,155	$1,081	$74	0.306	$1,454	$1,406	$47	0.532	0.780
2nd Year after Entry	1,518	1,466	52	0.549	1,888	1,818	71	0.467	0.936
3rd Year after Entry	1,711	1,662	49	0.594	1,990	1,993	-3	0.973	0.616
4th Year after Entry	1,875	1,800	75	0.435					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$3,226	$3,133	$93	0.312	$3,782	$3,315	$467	0.064	**0.030**
2nd Year after Entry	3,357	3,263	94	0.387	4,138	3,554	584	0.060	**0.011**
3rd Year after Entry	3,411	3,318	93	0.421	4,024	3,657	367	0.205	0.124
4th Year after Entry	3,430	3,385	44	0.697					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	$1,469	$1,442	$27	0.403	$1,663	$1,579	$84	0.415	0.393
2nd Year after Entry	1,652	1,635	17	0.656	2,004	1,834	170	0.207	0.127
3rd Year after Entry	1,812	1,816	-4	0.918	2,060	1,963	97	0.481	0.431
4th Year after Entry	1,944	1,942	1	0.978					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	$1,753	$1,723	$29	0.631	$1,906	$1,887	$20	0.868	0.967
2nd Year after Entry	2,073	2,023	50	0.488	2,422	2,326	95	0.524	0.627
3rd Year after Entry	2,220	2,194	26	0.741	2,552	2,472	80	0.593	0.626
4th Year after Entry	2,356	2,363	-6	0.938					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.7: Percentage of Legal Fathers Paying Child Support

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=10,908)	Control Group (N=2,995)	Impact	P-value	Experimental Group (N=798)	Control Group (N=685)	Impact	P-value	P-value
Quarter Mother Entered W-2	22.5%	21.4%	1.1%	0.275	34.7%	34.3%	0.5%	0.884	0.683
1st Quarter after Entry	31.3	29.8	1.6	0.145	43.6	44.8	-1.3	0.675	0.407
2nd Quarter after Entry	33.2	33.4	-0.2	0.851	43.7	47.7	-4.0	0.177	0.229
3rd Quarter after Entry	32.5	31.7	0.8	0.481	45.5	50.1	-4.6	0.119	0.103
4th Quarter after Entry	34.9	32.8	**2.1**	**0.046**	47.4	50.9	-3.5	0.227	0.061
5th Quarter after Entry	37.1	35.5	1.6	0.140	45.4	48.1	-2.7	0.351	0.175
6th Quarter after Entry	38.9	36.7	**2.2**	**0.048**	47.0	47.2	-0.1	0.969	0.519
7th Quarter after Entry	37.9	35.4	**2.5**	**0.019**	44.9	46.2	-1.3	0.663	0.185
8th Quarter after Entry	40.1	38.0	2.1	0.051	47.0	47.2	-0.3	0.926	0.472
9th Quarter after Entry	42.9	39.9	**3.0**	**0.007**	45.8	49.8	-4.0	0.157	**0.018**
10th Quarter after Entry	40.9	39.2	1.7	0.124	41.7	46.5	-4.8	0.088	**0.023**
11th Quarter after Entry	38.9	38.2	0.7	0.489	41.2	44.2	-3.0	0.284	0.178
12th Quarter after Entry	37.9	37.1	0.8	0.467	43.6	47.1	-3.5	0.207	0.108
13th Quarter after Entry	38.8	39.3	-0.5	0.615					
14th Quarter after Entry	38.9	38.7	0.2	0.854					
15th Quarter after Entry	37.0	36.7	0.3	0.793					
16th Quarter after Entry	36.8	36.4	0.4	0.721					
1st Year after Entry	52.4%	50.4%	2.0%	0.087	64.6%	67.9%	-3.3%	0.242	0.138
2nd Year after Entry	56.6	54.0	**2.6**	**0.020**	61.3	65.3	-4.0	0.153	**0.047**
3rd Year after Entry	58.1	54.9	**3.2**	**0.003**	57.5	63.0	**-5.5**	**0.048**	**0.002**
4th Year after Entry	53.3	53.7	-0.4	0.722					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.8: Percentage of Legal Fathers Paying Child Support, by Subgroup

| Subgroup | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=720)	(N=296)			(N=560)	(N=518)			
1st Year after Entry	61.0%	51.7%	**9.3%**	**0.024**	66.3%	70.5%	-4.3%	0.189	**0.010**
2nd Year after Entry	62.2	53.9	**8.3**	**0.034**	64.0	66.7	-2.7	0.409	**0.024**
3rd Year after Entry	63.5	51.0	**12.5**	**0.001**	59.4	65.4	-6.0	0.062	**0.000**
4th Year after Entry	58.2	49.2	**9.0**	**0.019**					
Higher Child Support History	(N=3,229)	(N=814)			(N=311)	(N=289)			
1st Year after Entry	94.7%	91.8%	**2.9%**	**0.012**	99.3%	99.2%	0.1%	0.868	0.483
2nd Year after Entry	91.1	87.1	**3.9**	**0.008**	90.5	91.7	-1.2	0.669	0.064
3rd Year after Entry	87.5	83.6	**3.9**	**0.020**	86.3	88.0	-1.6	0.620	0.134
4th Year after Entry	80.7	81.2	-0.5	0.796					
Mother Entered in Lower Tier	(N=6,632)	(N=1,829)			(N=420)	(N=364)			
1st Year after Entry	48.9%	46.9%	2.1%	0.159	66.9%	66.9%	0.0%	0.993	0.739
2nd Year after Entry	54.3	51.4	**2.9**	**0.042**	65.4	66.2	-0.8	0.830	0.474
3rd Year after Entry	56.3	52.3	**4.0**	**0.005**	58.1	63.2	-5.0	0.204	**0.014**
4th Year after Entry	51.0	50.6	0.3	0.819					
Mother Entered Outside Milwaukee	(N=2,692)	(N=798)			(N=454)	(N=384)			
1st Year after Entry	67.4%	64.1%	3.3%	0.124	70.8%	75.0%	-4.2%	0.238	0.117
2nd Year after Entry	69.0	65.0	4.0	0.052	65.0	71.2	-6.2	0.081	**0.021**
3rd Year after Entry	67.3	62.8	**4.4**	**0.034**	62.4	68.4	-6.0	0.094	**0.012**
4th Year after Entry	63.5	63.7	-0.2	0.908					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.9: Amounts of Child Support Paid by Legal Fathers

Time Period	Cohort 1 Experimental Group (N=10,908)	Control Group (N=2,995)	Impact	P-value	Cohort 3 Experimental Group (N=798)	Control Group (N=685)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$167	$160	$7	0.365	$303	$269	$34	0.196	0.151
1st Quarter after Entry	214	207	7	0.440	346	289	57	0.232	**0.035**
2nd Quarter after Entry	216	213	2	0.812	302	279	23	0.283	0.331
3rd Quarter after Entry	185	173	12	0.071	347	311	37	0.167	0.173
4th Quarter after Entry	216	202	14	0.097	379	390	-11	0.781	0.514
5th Quarter after Entry	250	255	-5	0.608	357	335	22	0.440	0.226
6th Quarter after Entry	267	251	16	0.134	348	334	15	0.705	0.901
7th Quarter after Entry	219	200	**19**	**0.038**	348	317	31	0.260	0.454
8th Quarter after Entry	238	219	**19**	**0.047**	390	391	-1	0.987	0.619
9th Quarter after Entry	273	249	**24**	**0.023**	394	401	-7	0.834	0.558
10th Quarter after Entry	274	276	-2	0.862	326	339	-13	0.625	0.724
11th Quarter after Entry	222	219	3	0.757	327	346	-19	0.499	0.524
12th Quarter after Entry	235	221	13	0.156	366	423	-57	0.123	**0.025**
13th Quarter after Entry	262	269	-6	0.552					
14th Quarter after Entry	267	256	11	0.338					
15th Quarter after Entry	232	222	10	0.289					
16th Quarter after Entry	231	229	3	0.770					
1st Year after Entry	$830	$795	$36	0.150	$1,374	$1,268	$106	0.282	0.200
2nd Year after Entry	973	925	48	0.100	1,443	1,376	67	0.514	0.601
3rd Year after Entry	1,003	965	38	0.218	1,413	1,509	-96	0.364	0.233
4th Year after Entry	992	975	17	0.599					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.10: Amounts of Child Support Paid by Legal Fathers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Cohort 1 Impact	Cohort 1 P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Cohort 3 Impact	Cohort 3 P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=720)	(N=296)			(N=560)	(N=518)			
1st Year after Entry	$1,371	$1,072	**$299**	**0.009**	$1,456	$1,390	$66	0.525	0.185
2nd Year after Entry	1,574	1,342	232	0.099	1,540	1,550	-10	0.940	0.221
3rd Year after Entry	1,569	1,357	212	0.137	1,544	1,746	-202	0.135	**0.041**
4th Year after Entry	1,531	1,440	91	0.548					
Higher Child Support History	(N=3,229)	(N=814)			(N=311)	(N=289)			
1st Year after Entry	$2,396	$2,255	$141	0.090	$2,892	$2,634	$258	0.173	0.285
2nd Year after Entry	2,463	2,231	**232**	**0.017**	3,036	2,571	465	0.058	0.142
3rd Year after Entry	2,318	2,245	74	0.458	2,938	2,654	284	0.224	0.148
4th Year after Entry	2,197	2,086	111	0.277					
Mother Entered in Lower Tier	(N=6,632)	(N=1,829)			(N=420)	(N=364)			
1st Year after Entry	$788	$732	$56	0.077	$1,328	$1,246	$81	0.474	0.408
2nd Year after Entry	923	860	64	0.085	1,484	1,333	151	0.309	0.231
3rd Year after Entry	943	882	61	0.120	1,419	1,500	-81	0.580	0.317
4th Year after Entry	929	888	41	0.301					
Mother Entered Outside Milwaukee	(N=2,692)	(N=798)			(N=454)	(N=384)			
1st Year after Entry	$1,264	$1,153	$111	0.058	$1,635	$1,620	$15	0.907	0.498
2nd Year after Entry	1,463	1,317	**146**	**0.038**	1,770	1,733	37	0.813	0.629
3rd Year after Entry	1,464	1,338	126	0.086	1,782	1,784	-2	0.990	0.579
4th Year after Entry	1,455	1,398	57	0.467					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.11: Percentage of Custodial Mothers for Whom Child Support Was Paid

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	15.1%	14.5%	0.6%	0.474	13.2%	13.6%	-0.4%	0.848	0.602
1st Quarter after Entry	25.1	23.9	1.2	0.220	24.8	25.1	-0.3	0.889	0.522
2nd Quarter after Entry	29.6	28.8	0.7	0.494	32.6	36.3	-3.7	0.128	0.086
3rd Quarter after Entry	30.1	29.4	0.6	0.527	38.7	40.0	-1.3	0.597	0.514
4th Quarter after Entry	33.8	32.2	1.6	0.134	44.4	44.4	0.0	0.988	0.456
5th Quarter after Entry	36.4	35.2	1.2	0.260	42.6	43.2	-0.6	0.805	0.379
6th Quarter after Entry	39.2	37.8	1.4	0.198	44.5	43.0	1.5	0.526	0.961
7th Quarter after Entry	38.8	37.8	0.9	0.367	43.8	43.4	0.4	0.880	0.686
8th Quarter after Entry	41.6	41.0	0.6	0.575	46.7	44.9	1.8	0.448	0.726
9th Quarter after Entry	45.1	43.5	1.6	0.135	44.3	45.7	-1.4	0.545	0.233
10th Quarter after Entry	43.6	42.8	0.8	0.444	42.5	44.3	-1.7	0.465	0.274
11th Quarter after Entry	42.0	41.7	0.3	0.761	40.4	42.6	-2.2	0.348	0.269
12th Quarter after Entry	42.4	42.2	0.2	0.833	44.3	47.2	-2.8	0.224	0.234
13th Quarter after Entry	43.7	44.8	-1.1	0.277					
14th Quarter after Entry	43.9	44.8	-1.0	0.349					
15th Quarter after Entry	42.6	42.5	0.1	0.916					
16th Quarter after Entry	42.7	42.6	0.1	0.895					
1st Year after Entry	50.1%	47.5%	**2.7%**	**0.022**	58.6%	59.3%	-0.7%	0.793	0.258
2nd Year after Entry	57.3	55.9	1.5	0.178	60.8	62.4	-1.6	0.491	0.227
3rd Year after Entry	61.3	59.5	1.8	0.081	57.7	60.1	-2.4	0.299	0.094
4th Year after Entry	59.6	59.4	0.2	0.867					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

TableA3.12: Percentage of Custodial Mothers for Whom Child Support Was Paid, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	41.7%	37.7%	4.0%	0.164	55.3%	57.4%	-2.1%	0.449	0.099
2nd Year after Entry	53.0	48.3	4.7	0.087	58.6	59.6	-0.9	0.715	0.114
3rd Year after Entry	58.6	50.4	**8.1**	**0.003**	55.5	58.8	-3.3	0.196	**0.002**
4th Year after Entry	57.1	50.3	**6.8**	**0.009**					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	96.5%	94.3%	**2.2%**	**0.019**	99.9%	99.8%	0.1%	0.535	0.919
2nd Year after Entry	94.4	91.9	**2.4**	**0.035**	96.9	97.9	-1.0	0.466	0.203
3rd Year after Entry	92.4	90.3	2.2	0.094	92.8	96.0	-3.2	0.143	0.085
4th Year after Entry	88.4	88.3	0.1	0.960					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	45.6%	42.8%	2.9%	0.059	61.8%	58.8%	3.1%	0.442	0.865
2nd Year after Entry	53.3	52.2	1.1	0.450	60.7	61.4	-0.6	0.863	0.632
3rd Year after Entry	58.5	55.6	**2.9**	**0.036**	54.8	57.3	-2.5	0.506	0.093
4th Year after Entry	56.8	55.2	1.5	0.259					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	68.0%	63.9%	4.1%	0.051	73.9%	73.2%	0.7%	0.815	0.457
2nd Year after Entry	71.6	67.9	3.7	0.057	72.7	74.2	-1.5	0.612	0.182
3rd Year after Entry	71.8	69.8	2.0	0.280	69.9	72.5	-2.6	0.388	0.211
4th Year after Entry	69.3	69.4	-0.2	0.936					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A3.13: Amounts of Child Support Paid on Behalf of Custodial Mothers

| Time Period | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	$164	$158	$6	0.418	$227	$196	$31	0.093	0.084
1st Quarter after Entry	212	210	3	0.740	264	220	45	0.159	**0.041**
2nd Quarter after Entry	223	223	0	0.984	255	237	18	0.263	0.400
3rd Quarter after Entry	200	196	5	0.508	312	281	31	0.121	0.129
4th Quarter after Entry	240	228	12	0.157	366	368	-2	0.952	0.572
5th Quarter after Entry	286	295	-10	0.366	357	329	28	0.223	0.169
6th Quarter after Entry	305	298	7	0.513	348	327	22	0.524	0.681
7th Quarter after Entry	255	241	14	0.130	372	324	47	0.050	0.179
8th Quarter after Entry	285	277	8	0.421	415	395	19	0.485	0.631
9th Quarter after Entry	332	320	13	0.264	403	385	18	0.494	0.759
10th Quarter after Entry	335	345	-10	0.411	343	340	3	0.887	0.714
11th Quarter after Entry	273	273	0	0.970	353	362	-9	0.712	0.692
12th Quarter after Entry	299	290	9	0.394	403	437	-34	0.260	0.135
13th Quarter after Entry	348	350	-1	0.935					
14th Quarter after Entry	348	330	18	0.145					
15th Quarter after Entry	305	291	14	0.184					
16th Quarter after Entry	315	302	13	0.249					
1st Year after Entry	$876	$856	$20	0.408	$1,197	$1,105	$92	0.191	0.209
2nd Year after Entry	1,130	1,111	20	0.524	1,491	1,376	116	0.175	0.246
3rd Year after Entry	1,239	1,227	12	0.720	1,502	1,524	-22	0.802	0.727
4th Year after Entry	1,316	1,272	44	0.232					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A3.14: Amounts of Child Support Paid on Behalf of Custodial Mothers, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	$892	$800	$92	0.153	$1,135	$1,097	$37	0.594	0.660
2nd Year after Entry	1,288	1,189	99	0.263	1,452	1,397	55	0.565	0.747
3rd Year after Entry	1,396	1,344	52	0.574	1,487	1,550	-63	0.519	0.407
4th Year after Entry	1,439	1,353	86	0.393					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$2,826	$2,754	$72	0.460	$3,703	$3,123	**$580**	**0.035**	**0.007**
2nd Year after Entry	3,071	2,948	123	0.292	3,900	3,391	509	0.103	**0.033**
3rd Year after Entry	2,977	2,996	-19	0.874	3,809	3,414	396	0.176	0.052
4th Year after Entry	2,948	2,866	82	0.524					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	$814	$762	$52	0.081	$1,279	$1,160	$119	0.206	0.283
2nd Year after Entry	1,022	993	29	0.450	1,608	1,365	243	0.083	**0.044**
3rd Year after Entry	1,114	1,089	25	0.550	1,558	1,512	46	0.732	0.878
4th Year after Entry	1,188	1,138	50	0.264					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	$1,342	$1,248	$94	0.100	$1,613	$1,639	$-27	0.807	0.296
2nd Year after Entry	1,765	1,657	108	0.146	2,081	2,010	71	0.640	0.830
3rd Year after Entry	1,867	1,807	60	0.455	2,159	2,086	73	0.625	0.903
4th Year after Entry	1,945	1,852	93	0.294					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.15: Percentage of Custodial Mothers Receiving Child Support

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Time Period	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	9.9%	9.4%	0.5%	0.464	7.0%	8.0%	-1.0%	0.451	0.313
1st Quarter after Entry	18.2	17.4	0.8	0.345	19.0	19.7	-0.8	0.700	0.396
2nd Quarter after Entry	23.2	22.3	0.9	0.337	26.9	28.8	-1.9	0.394	0.179
3rd Quarter after Entry	25.4	24.4	1.0	0.287	32.0	33.2	-1.2	0.610	0.317
4th Quarter after Entry	28.5	26.7	1.8	0.059	35.7	37.0	-1.2	0.594	0.153
5th Quarter after Entry	30.4	28.9	1.5	0.126	37.0	36.3	0.6	0.782	0.577
6th Quarter after Entry	32.4	30.8	1.6	0.110	38.9	37.1	1.8	0.424	0.975
7th Quarter after Entry	33.5	32.4	1.1	0.269	39.1	37.6	1.5	0.516	0.951
8th Quarter after Entry	35.7	35.4	0.3	0.762	40.2	39.1	1.0	0.653	0.906
9th Quarter after Entry	38.2	37.4	0.8	0.426	38.4	38.4	0.0	0.996	0.659
10th Quarter after Entry	37.0	37.2	-0.2	0.840	36.8	37.3	-0.5	0.823	0.746
11th Quarter after Entry	37.1	36.5	0.6	0.557	35.9	37.0	-1.1	0.623	0.391
12th Quarter after Entry	37.3	37.6	-0.3	0.751	39.0	40.6	-1.6	0.475	0.547
13th Quarter after Entry	37.8	38.9	-1.1	0.285					
14th Quarter after Entry	37.9	38.4	-0.6	0.574					
15th Quarter after Entry	37.2	37.8	-0.6	0.571					
16th Quarter after Entry	37.0	37.1	-0.1	0.950					
1st Year after Entry	39.8%	37.2%	**2.6%**	**0.022**	47.3%	49.6%	-2.3%	0.353	0.062
2nd Year after Entry	48.5	46.9	1.6	0.141	52.2	53.4	-1.2	0.609	0.252
3rd Year after Entry	52.9	52.4	0.5	0.639	49.2	51.9	-2.7	0.257	0.177
4th Year after Entry	51.7	52.1	-0.5	0.654					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Payment to mothers differs from payment by fathers because it includes payments by one or more legal fathers or no legal father (paternity not established).

Table A3.16: Percentage of Custodial Mothers Receiving Child Support, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	34.4%	29.2%	5.1%	0.053	43.8%	48.8%	-5.0%	0.067	**0.006**
2nd Year after Entry	45.3	39.2	**6.1**	**0.024**	50.7	52.1	-1.3	0.602	**0.041**
3rd Year after Entry	50.1	44.2	**5.9**	**0.030**	47.7	51.8	-4.1	0.111	**0.006**
4th Year after Entry	50.0	44.3	**5.8**	**0.028**					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	91.5%	91.1%	0.4%	0.757	94.8%	93.7%	1.1%	0.612	0.659
2nd Year after Entry	89.9	86.7	**3.2**	**0.035**	91.9	92.8	-0.9	0.732	0.467
3rd Year after Entry	87.3	86.4	0.9	0.585	87.4	88.4	-1.0	0.770	0.714
4th Year after Entry	81.9	83.1	-1.2	0.520					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	35.6%	33.4%	2.2%	0.115	50.4%	50.9%	-0.5%	0.901	0.520
2nd Year after Entry	44.8	43.3	1.5	0.289	51.5	51.4	0.2	0.966	0.702
3rd Year after Entry	50.1	48.5	1.6	0.243	47.8	47.2	0.6	0.868	0.569
4th Year after Entry	48.4	48.1	0.3	0.844					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	56.8%	54.5%	2.3%	0.301	62.3%	60.6%	1.7%	0.616	0.852
2nd Year after Entry	61.3	59.1	2.3	0.274	64.3	64.4	-0.1	0.967	0.523
3rd Year after Entry	62.5	62.1	0.4	0.828	59.7	63.0	-3.3	0.312	0.291
4th Year after Entry	60.6	62.1	-1.4	0.465					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.17: Amounts of Child Support Received by Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,542)	Cohort 1 Control Group (N=2,831)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Cohort 3 Control Group (N=888)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$119	$90	**$29**	**<.0001**	$162	$124	**$38**	**0.002**	0.318
1st Quarter after Entry	141	102	**39**	**<.0001**	191	140	**51**	**0.000**	0.288
2nd Quarter after Entry	162	130	**32**	**<.0001**	221	190	**31**	**0.036**	0.924
3rd Quarter after Entry	177	147	**29**	**<.0001**	281	231	**50**	**0.006**	0.188
4th Quarter after Entry	194	162	**32**	**<.0001**	288	268	20	0.358	0.484
5th Quarter after Entry	207	177	**30**	**<.0001**	289	258	30	0.115	0.959
6th Quarter after Entry	216	189	**27**	**0.000**	319	268	51	0.057	0.275
7th Quarter after Entry	217	186	**31**	**<.0001**	320	274	**46**	**0.029**	0.470
8th Quarter after Entry	234	204	**30**	**0.000**	334	298	36	0.110	0.756
9th Quarter after Entry	261	227	**34**	**<.0001**	324	296	27	0.201	0.774
10th Quarter after Entry	248	241	7	0.400	311	287	25	0.233	0.453
11th Quarter after Entry	242	230	12	0.156	311	314	-3	0.895	0.452
12th Quarter after Entry	253	237	16	0.059	346	350	-5	0.858	0.372
13th Quarter after Entry	268	254	14	0.139					
14th Quarter after Entry	268	251	17	0.075					
15th Quarter after Entry	262	243	**20**	**0.034**					
16th Quarter after Entry	265	243	**22**	**0.017**					
1st Year after Entry	$675	$541	**$134**	**<.0001**	$981	$830	**$152**	**0.007**	0.685
2nd Year after Entry	874	756	**118**	**<.0001**	1,262	1,099	**163**	**0.033**	0.540
3rd Year after Entry	1,004	936	**68**	**0.019**	1,292	1,247	44	0.579	0.732
4th Year after Entry	1,063	991	**72**	**0.024**					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.18: Amounts of Child Support Received by Custodial Mothers, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	$788	$606	**$182**	**0.002**	$960	$844	$116	0.063	0.519
2nd Year after Entry	1,105	921	**184**	**0.021**	1,238	1,139	100	0.242	0.461
3rd Year after Entry	1,219	1,094	125	0.142	1,287	1,283	3	0.969	0.305
4th Year after Entry	1,274	1,133	140	0.129					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$2,250	$1,779	**$471**	**<.0001**	$3,050	$2,393	**$657**	**0.002**	0.196
2nd Year after Entry	2,444	2,100	**344**	**0.001**	3,374	2,677	**697**	**0.011**	**0.032**
3rd Year after Entry	2,515	2,333	183	0.091	3,285	2,872	413	0.127	0.183
4th Year after Entry	2,474	2,320	153	0.180					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	$619	$425	**$194**	**<.0001**	$1,088	$841	**$247**	**0.004**	0.241
2nd Year after Entry	782	640	**142**	**<.0001**	1,344	1,052	**292**	**0.018**	0.084
3rd Year after Entry	892	807	**85**	**0.015**	1,320	1,257	63	0.613	0.789
4th Year after Entry	950	846	**104**	**0.007**					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	$1,092	$908	**$183**	**0.000**	$1,373	$1,253	$120	0.219	0.520
2nd Year after Entry	1,409	1,208	**201**	**0.002**	1,787	1,614	173	0.204	0.846
3rd Year after Entry	1,552	1,433	119	0.099	1,873	1,730	143	0.305	0.869
4th Year after Entry	1,606	1,520	86	0.271					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.19: Custodial Mothers Receiving W-2 Grants

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	68.3%	69.4%	-1.1%	0.306	71.3%	72.0%	-0.7%	0.763	0.797
1st Quarter after Entry	75.4	77.4	-1.9	0.051	75.4	74.9	0.4	0.837	0.282
2nd Quarter after Entry	57.0	58.2	-1.3	0.247	35.7	34.5	1.2	0.572	0.249
3rd Quarter after Entry	42.3	42.5	-0.2	0.851	21.1	20.9	0.2	0.905	0.691
4th Quarter after Entry	33.2	34.6	-1.4	0.162	18.6	17.1	1.5	0.362	0.091
5th Quarter after Entry	28.2	28.3	0.0	0.958	15.2	14.5	0.7	0.630	0.570
6th Quarter after Entry	24.6	24.5	0.1	0.914	12.8	13.9	-1.1	0.440	0.533
7th Quarter after Entry	21.5	21.3	0.2	0.830	13.4	12.0	1.4	0.313	0.323
8th Quarter after Entry	18.9	17.4	1.4	0.061	12.2	12.0	0.2	0.898	0.643
9th Quarter after Entry	16.5	15.8	0.7	0.334	12.0	13.0	-1.0	0.477	0.412
10th Quarter after Entry	15.4	14.2	1.2	0.088	12.7	11.7	1.1	0.448	0.956
11th Quarter after Entry	14.7	13.8	0.9	0.209	10.2	10.9	-0.7	0.607	0.306
12th Quarter after Entry	13.2	13.1	0.1	0.937	10.9	9.8	1.0	0.430	0.478
13th Quarter after Entry	12.2	13.3	-1.1	0.088					
14th Quarter after Entry	12.5	13.2	-0.8	0.245					
15th Quarter after Entry	13.1	12.9	0.2	0.769					
16th Quarter after Entry	13.2	12.5	0.7	0.270					
1st Year after Entry	82.8%	84.8%	**-2.0%**	**0.014**	79.8%	78.9%	0.9%	0.633	0.143
2nd Year after Entry	38.6	38.3	0.3	0.771	24.2	24.3	-0.1	0.978	0.933
3rd Year after Entry	26.0	25.8	0.2	0.827	21.0	21.6	-0.7	0.714	0.739
4th Year after Entry	22.4	22.8	-0.4	0.662					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.20: Custodial Mothers Receiving W-2 Grants, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	84.6%	88.2%	-3.6%	0.055	80.9%	79.7%	1.2%	0.559	0.053
2nd Year after Entry	25.3	23.2	2.2	0.336	23.1	24.2	-1.0	0.611	0.278
3rd Year after Entry	16.3	16.8	-0.5	0.793	20.8	20.4	0.4	0.853	0.701
4th Year after Entry	15.9	16.0	-0.1	0.936					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	72.4%	77.7%	**-5.3%**	**0.027**	74.0%	64.8%	9.2%	0.082	**0.007**
2nd Year after Entry	29.3	30.6	-1.3	0.579	15.7	15.5	0.2	0.966	0.594
3rd Year after Entry	19.2	23.1	**-3.9**	**0.046**	11.2	12.6	-1.4	0.654	0.806
4th Year after Entry	17.4	17.7	-0.3	0.876					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	94.6%	96.0%	**-1.4%**	**0.009**	89.3%	89.3%	0.0%	0.991	0.362
2nd Year after Entry	50.4	50.9	-0.5	0.700	32.4	30.8	1.6	0.600	0.484
3rd Year after Entry	32.5	33.5	-1.0	0.415	25.9	25.8	0.1	0.967	0.665
4th Year after Entry	26.6	27.9	-1.3	0.263					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	56.5%	57.6%	-1.1%	0.615	71.8%	66.8%	5.0%	0.112	0.114
2nd Year after Entry	17.3	15.1	2.3	0.112	14.1	13.9	0.1	0.953	0.431
3rd Year after Entry	11.1	12.3	-1.2	0.307	12.1	11.0	1.0	0.599	0.422
4th Year after Entry	8.5	10.0	-1.5	0.176					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.21: Custodial Mothers Receiving Food Stamps

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	94.3%	94.0%	0.2%	0.569	85.9%	84.0%	1.9%	0.218	0.425
1st Quarter after Entry	89.1	88.7	0.4	0.530	83.4	81.0	2.3	0.159	0.322
2nd Quarter after Entry	82.0	80.3	**1.7**	**0.032**	67.0	68.8	-1.8	0.379	0.087
3rd Quarter after Entry	77.2	76.7	0.6	0.497	61.7	62.5	-0.8	0.697	0.502
4th Quarter after Entry	74.1	73.6	0.5	0.554	59.1	59.8	-0.8	0.715	0.551
5th Quarter after Entry	71.5	71.0	0.4	0.625	59.3	58.2	1.1	0.600	0.820
6th Quarter after Entry	68.9	68.1	0.8	0.369	56.4	57.9	-1.5	0.490	0.332
7th Quarter after Entry	66.8	66.1	0.7	0.476	56.3	57.3	-1.0	0.637	0.426
8th Quarter after Entry	65.8	66.4	-0.6	0.555	54.2	57.6	-3.5	0.109	0.224
9th Quarter after Entry	65.2	64.1	1.0	0.281	54.8	56.7	-1.8	0.397	0.205
10th Quarter after Entry	64.0	64.1	-0.1	0.911	56.4	58.9	-2.5	0.242	0.312
11th Quarter after Entry	62.9	63.9	-1.0	0.295	57.6	58.1	-0.6	0.795	0.773
12th Quarter after Entry	62.5	62.7	-0.2	0.806	58.4	56.5	1.9	0.380	0.321
13th Quarter after Entry	61.8	62.1	-0.4	0.716					
14th Quarter after Entry	61.9	62.1	-0.2	0.810					
15th Quarter after Entry	62.8	62.8	0.0	0.984					
16th Quarter after Entry	63.2	63.6	-0.3	0.725					
1st Year after Entry	94.5%	94.0%	0.5%	0.216	90.4%	90.1%	0.2%	0.845	0.683
2nd Year after Entry	82.3	82.5	-0.1	0.855	73.6	73.1	0.6	0.766	0.731
3rd Year after Entry	76.6	76.8	-0.2	0.852	69.2	71.6	-2.4	0.224	0.324
4th Year after Entry	73.4	72.9	0.5	0.586					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.22: Custodial Mothers Receiving Food Stamps, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	85.2%	84.3%	0.9%	0.619	89.5%	89.4%	0.1%	0.927	0.784
2nd Year after Entry	63.2	65.2	-2.0	0.419	71.4	71.5	-0.1	0.967	0.566
3rd Year after Entry	58.7	61.6	-2.8	0.255	66.8	69.7	-2.9	0.192	0.977
4th Year after Entry	58.4	57.9	0.5	0.845			0.0		
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	94.9%	95.6%	-0.7%	0.451	93.7%	89.2%	4.5%	0.100	0.095
2nd Year after Entry	79.8	79.6	0.2	0.897	69.0	68.8	0.1	0.976	0.819
3rd Year after Entry	72.5	73.5	-1.1	0.619	62.6	67.7	-5.1	0.293	0.618
4th Year after Entry	69.1	66.6	2.5	0.271					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	95.9%	95.5%	0.4%	0.394	93.0%	93.8%	-0.8%	0.594	0.401
2nd Year after Entry	85.2	85.6	-0.4	0.663	74.9	74.9	-0.1	0.984	0.945
3rd Year after Entry	80.5	80.0	0.5	0.618	72.3	72.8	-0.5	0.860	0.647
4th Year after Entry	77.0	76.5	0.5	0.624					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	87.2%	87.3%	-0.1%	0.942	88.6%	87.3%	1.3%	0.509	0.528
2nd Year after Entry	66.4	66.8	-0.5	0.802	66.2	67.2	-1.0	0.733	0.825
3rd Year after Entry	60.7	60.5	0.2	0.903	59.7	65.5	-5.8	0.053	0.110
4th Year after Entry	58.9	56.9	2.1	0.271					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.23: Custodial Mothers Receiving Medicaid and BadgerCare

Time Period	Cohort 1 Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	99.5%	99.6%	-0.1%	0.279	97.3%	96.9%	0.4%	0.587	0.314
1st Quarter after Entry	97.8	98.4	**-0.6**	**0.022**	98.4	97.7	0.7	0.208	**0.024**
2nd Quarter after Entry	95.2	95.7	-0.5	0.230	94.4	92.7	1.7	0.098	**0.042**
3rd Quarter after Entry	92.6	92.9	-0.3	0.595	91.3	88.6	**2.8**	**0.031**	**0.044**
4th Quarter after Entry	89.8	89.6	0.2	0.707	86.9	85.4	1.5	0.317	0.538
5th Quarter after Entry	86.8	87.1	-0.3	0.684	83.4	82.7	0.8	0.633	0.638
6th Quarter after Entry	84.6	84.1	0.5	0.483	80.9	81.2	-0.3	0.862	0.643
7th Quarter after Entry	82.7	82.2	0.5	0.536	79.6	79.8	-0.2	0.897	0.648
8th Quarter after Entry	81.0	80.9	0.1	0.892	77.9	78.4	-0.6	0.755	0.721
9th Quarter after Entry	80.1	79.8	0.3	0.732	76.4	78.2	-1.8	0.330	0.327
10th Quarter after Entry	79.4	79.4	0.0	0.968	76.3	77.7	-1.4	0.436	0.505
11th Quarter after Entry	78.6	79.4	-0.8	0.327	75.3	77.9	-2.6	0.156	0.446
12th Quarter after Entry	77.3	77.6	-0.3	0.713	75.2	76.9	-1.7	0.344	0.562
13th Quarter after Entry	76.5	76.9	-0.5	0.588					
14th Quarter after Entry	76.3	76.3	-0.1	0.934					
15th Quarter after Entry	76.0	75.9	0.0	0.954					
16th Quarter after Entry	75.6	75.2	0.4	0.666					
1st Year after Entry	98.8%	99.1%	-0.2%	0.182	99.6%	99.1%	0.5%	0.072	**0.040**
2nd Year after Entry	91.0	90.9	0.2	0.761	88.8	87.9	0.9	0.505	0.703
3rd Year after Entry	84.7	84.3	0.3	0.633	81.7	83.9	-2.2	0.174	0.167
4th Year after Entry	81.5	81.2	0.3	0.702					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.24: Custodial Mothers Receiving Medicaid and BadgerCare, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	98.4%	98.4%	0.0%	0.991	99.9%	99.8%	0.1%	0.073	0.248
2nd Year after Entry	84.8	82.7	2.1	0.263	88.7	88.4	0.3	0.832	0.598
3rd Year after Entry	76.8	76.1	0.7	0.744	80.3	83.4	-3.2	0.084	0.149
4th Year after Entry	74.6	72.9	1.8	0.425					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	99.0%	99.3%	-0.3%	0.408	100.0%	100.0%	0.0%		0.091
2nd Year after Entry	91.2	90.0	1.2	0.376	87.3	88.9	-1.6	0.614	0.406
3rd Year after Entry	83.2	82.7	0.5	0.777	79.6	84.8	-5.3	0.166	0.189
4th Year after Entry	80.5	78.6	1.9	0.328					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	99.1%	99.4%	-0.3%	0.175	99.8%	99.7%	0.2%	0.437	0.180
2nd Year after Entry	92.1	91.9	0.1	0.827	86.3	87.6	-1.3	0.542	0.398
3rd Year after Entry	86.1	85.7	0.4	0.645	80.4	82.9	-2.5	0.318	0.225
4th Year after Entry	83.0	82.3	0.7	0.479					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	97.3%	97.9%	-0.6%	0.316	99.4%	99.1%	0.3%	0.432	0.349
2nd Year after Entry	83.5	82.6	0.8	0.563	85.2	84.9	0.3	0.895	0.891
3rd Year after Entry	77.4	75.0	2.4	0.131	75.9	81.3	**-5.4**	**0.034**	**0.016**
4th Year after Entry	74.0	72.8	1.2	0.469					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.25: Custodial Mothers Receiving Child Care Subsidies

| Time Period | Cohort 1 | | | | Cohort 3 | | | | Cohort 3-Cohort 1 |
	Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	P-value
Quarter Mother Entered W-2	11.5%	11.4%	0.1%	0.909	11.1%	11.7%	-0.6%	0.649	0.774
1st Quarter after Entry	21.2	21.1	0.1	0.950	28.8	30.2	-1.4	0.489	0.698
2nd Quarter after Entry	24.7	24.1	0.6	0.470	31.6	32.2	-0.6	0.754	0.675
3rd Quarter after Entry	26.1	25.7	0.4	0.610	29.1	30.3	-1.2	0.556	0.566
4th Quarter after Entry	25.6	25.7	-0.1	0.874	27.7	28.4	-0.7	0.718	0.861
5th Quarter after Entry	25.1	25.5	-0.4	0.641	27.9	28.0	-0.1	0.947	0.887
6th Quarter after Entry	25.1	25.2	-0.1	0.909	27.6	28.8	-1.2	0.545	0.652
7th Quarter after Entry	24.2	23.9	0.3	0.756	27.1	28.7	-1.6	0.421	0.401
8th Quarter after Entry	22.9	23.1	-0.2	0.773	27.2	28.7	-1.6	0.431	0.545
9th Quarter after Entry	22.1	23.1	-1.0	0.256	26.5	30.1	-3.6	0.075	0.309
10th Quarter after Entry	22.4	23.5	-1.0	0.229	27.2	29.7	-2.5	0.218	0.563
11th Quarter after Entry	22.8	23.6	-0.8	0.345	26.9	29.5	-2.6	0.200	0.506
12th Quarter after Entry	22.3	22.6	-0.3	0.697	27.4	28.7	-1.3	0.521	0.725
13th Quarter after Entry	22.2	21.7	0.6	0.484					
14th Quarter after Entry	21.7	22.1	-0.4	0.610					
15th Quarter after Entry	20.8	21.1	-0.3	0.682					
16th Quarter after Entry	20.0	20.1	-0.1	0.912					
1st Year after Entry	40.6%	39.9%	0.7%	0.493	46.1%	46.3%	-0.3%	0.901	0.803
2nd Year after Entry	37.3	37.3	-0.1	0.946	41.8	41.8	0.0	0.998	0.939
3rd Year after Entry	33.2	34.0	-0.8	0.418	39.1	41.6	-2.4	0.279	0.579
4th Year after Entry	30.7	30.9	-0.3	0.780					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.26: Custodial Mothers Receiving Child Care Subsidies, by Subgroup

	Cohort 1				Cohort 3				Cohort 3-Cohort 1
Subgroup	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	41.2%	42.1%	-0.9%	0.710	45.8%	46.5%	-0.7%	0.781	0.978
2nd Year after Entry	37.1	37.9	-0.8	0.755	42.6	42.9	-0.3	0.897	0.921
3rd Year after Entry	36.2	38.8	-2.7	0.295	38.7	42.7	-4.0	0.107	0.726
4th Year after Entry	34.2	36.3	-2.0	0.414					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	38.5%	37.1%	1.4%	0.560	45.0%	44.9%	0.1%	0.987	0.878
2nd Year after Entry	32.1	32.2	0.0	0.996	36.1	31.5	4.6	0.368	0.633
3rd Year after Entry	26.7	26.7	0.0	0.999	28.1	27.6	0.5	0.924	0.841
4th Year after Entry	23.5	24.5	-1.0	0.642					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	37.6%	36.2%	1.4%	0.260	43.1%	40.0%	3.1%	0.361	0.654
2nd Year after Entry	34.7	33.4	1.3	0.311	36.0	32.7	3.3	0.324	0.706
3rd Year after Entry	30.7	30.2	0.5	0.714	31.2	30.8	0.4	0.910	0.766
4th Year after Entry	27.8	28.2	-0.3	0.778					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	40.2%	38.1%	2.1%	0.272	41.5%	44.3%	-2.8%	0.377	0.262
2nd Year after Entry	31.3	30.3	1.0	0.599	36.8	37.7	-0.9	0.775	0.706
3rd Year after Entry	28.3	28.2	0.0	0.980	31.0	34.9	-3.9	0.203	0.331
4th Year after Entry	25.0	25.5	-0.4	0.795					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.27: Percentage of Custodial Mothers with Earnings

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=12,539)	Control Group (N=2,830)	Impact	P-value	Experimental Group (N=1,125)	Control Group (N=887)	Impact	P-value	P-value
Quarter Mother Entered W-2	56.4%	55.2%	1.2%	0.277	56.7%	54.2%	2.5%	0.276	0.586
1st Quarter after Entry	53.7	54.0	-0.3	0.800	58.5	60.1	-1.5	0.475	0.429
2nd Quarter after Entry	58.9	59.2	-0.3	0.766	68.4	68.2	0.2	0.941	0.958
3rd Quarter after Entry	61.1	60.0	1.1	0.284	70.0	67.7	2.3	0.266	0.732
4th Quarter after Entry	60.8	61.8	-0.9	0.344	70.1	69.9	0.2	0.925	0.709
5th Quarter after Entry	61.1	60.2	0.9	0.372	69.5	69.9	-0.4	0.832	0.502
6th Quarter after Entry	63.9	61.8	**2.1**	**0.034**	69.1	72.0	-2.9	0.149	**0.026**
7th Quarter after Entry	64.0	63.3	0.7	0.447	66.2	68.4	-2.2	0.280	0.141
8th Quarter after Entry	63.5	63.3	0.2	0.807	64.4	65.5	-1.1	0.597	0.414
9th Quarter after Entry	61.8	62.6	-0.8	0.405	66.3	64.5	1.8	0.386	0.299
10th Quarter after Entry	62.3	62.9	-0.6	0.568	63.3	63.7	-0.4	0.851	0.939
11th Quarter after Entry	61.9	62.5	-0.6	0.551					
12th Quarter after Entry	61.3	60.3	1.0	0.318					
13th Quarter after Entry	59.4	58.0	1.4	0.145					
14th Quarter after Entry	58.5	57.1	1.4	0.164					
15th Quarter after Entry									
16th Quarter after Entry									
1st Year after Entry	81.7%	82.5%	-0.8%	0.321	87.2%	86.8%	0.5%	0.741	0.623
2nd Year after Entry	81.2	79.8	1.3	0.090	83.4	84.6	-1.2	0.445	0.114
3rd Year after Entry	77.8	77.2	0.5	0.527					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A3.28: Percentage of Custodial Mothers with Earnings, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=921)	(N=745)			
1st Year after Entry	84.6%	86.1%	-1.5%	0.390	87.5%	87.3%	0.1%	0.932	0.497
2nd Year after Entry	83.4	83.3	0.1	0.968	83.8	85.6	-1.8	0.308	0.466
3rd Year after Entry	80.7	80.7	-0.1	0.967					
4th Year after Entry									
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	82.8%	83.0%	-0.1%	0.937	87.1%	91.2%	-4.2%	0.174	0.228
2nd Year after Entry	81.2	79.2	2.0	0.299	80.9	90.0	**-9.1**	**0.010**	**0.006**
3rd Year after Entry	77.4	77.2	0.2	0.927					
4th Year after Entry									
Mother Entered in Lower Tier	(N=7,589)	(N=1,606)			(N=499)	(N=367)			
1st Year after Entry	71.7%	72.8%	-1.1%	0.337	81.6%	79.8%	1.8%	0.487	0.454
2nd Year after Entry	75.2	74.0	1.2	0.293	78.2	78.6	-0.4	0.880	0.456
3rd Year after Entry	72.4	72.7	-0.2	0.833					
4th Year after Entry									
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=484)			
1st Year after Entry	84.0%	85.2%	-1.2%	0.420	86.3%	87.4%	-1.1%	0.614	0.943
2nd Year after Entry	79.6	78.4	1.2	0.433	80.5	86.4	**-5.9**	**0.012**	**0.013**
3rd Year after Entry	75.4	74.5	0.9	0.592					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.29: Amounts Earned by Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,539)	Control Group (N=2,830)	Impact	P-value	Cohort 3 Experimental Group (N=1,125)	Control Group (N=887)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$778	$756	$22	0.231	$728	$715	$13	0.756	0.719
1st Quarter after Entry	875	874	1	0.960	994	1,006	-11	0.838	0.841
2nd Quarter after Entry	1,115	1,111	5	0.861	1,576	1,537	39	0.592	0.624
3rd Quarter after Entry	1,284	1,236	48	0.111	1,683	1,666	17	0.815	0.576
4th Quarter after Entry	1,394	1,336	58	0.064	1,750	1,736	13	0.862	0.518
5th Quarter after Entry	1,371	1,315	56	0.068	1,820	1,844	-24	0.769	0.285
6th Quarter after Entry	1,542	1,477	65	0.054	1,939	1,972	-33	0.701	0.218
7th Quarter after Entry	1,626	1,601	25	0.494	1,947	1,942	4	0.960	0.769
8th Quarter after Entry	1,687	1,683	4	0.916	1,969	1,906	63	0.480	0.608
9th Quarter after Entry	1,630	1,672	-43	0.246	1,973	1,906	66	0.463	0.247
10th Quarter after Entry	1,706	1,751	-45	0.233	1,968	1,959	10	0.921	0.538
11th Quarter after Entry	1,785	1,791	-5	0.899					
12th Quarter after Entry	1,821	1,772	49	0.233					
13th Quarter after Entry	1,764	1,710	53	0.191					
14th Quarter after Entry	1,787	1,752	36	0.413					
15th Quarter after Entry									
16th Quarter after Entry									
1st Year after Entry	$4,668	$4,557	$111	0.233	$6,003	$5,945	$58	0.804	0.764
2nd Year after Entry	6,226	6,076	150	0.216	7,674	7,664	10	0.973	0.583
3rd Year after Entry	6,941	6,985	-44	0.753					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A3.30: Amounts Earned by Custodial Mothers, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=921)	(N=745)			
1st Year after Entry	$5,215	$5,043	$172	0.495	$5,960	$5,889	$71	0.778	0.796
2nd Year after Entry	7,104	7,086	17	0.958	7,693	7,661	31	0.926	0.916
3rd Year after Entry	7,538	8,015	-477	0.193					
4th Year after Entry									
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$5,268	$5,312	$-44	0.858	$6,459	$7,412	$-953	0.110	0.064
2nd Year after Entry	6,713	6,730	-17	0.956	8,339	8,985	-646	0.420	0.300
3rd Year after Entry	7,293	7,543	-250	0.483					
4th Year after Entry									
Mother Entered in Lower Tier	(N=7,589)	(N=1,606)			(N=499)	(N=367)			
1st Year after Entry	$3,272	$3,232	$41	0.704	$4,874	$5,244	$-370	0.288	0.115
2nd Year after Entry	4,977	4,922	55	0.712	6,594	6,977	-383	0.398	0.166
3rd Year after Entry	5,683	5,777	-94	0.582					
4th Year after Entry									
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=484)			
1st Year after Entry	$5,103	$4,848	$255	0.180	$5,832	$5,973	$-141	0.657	0.229
2nd Year after Entry	6,276	6,184	92	0.702	7,263	7,286	-23	0.958	0.789
3rd Year after Entry	6,640	6,620	21	0.940					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.31: Total Income of Custodial Mothers

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=12,539)	Control Group (N=2,830)	Impact	P-value	Experimental Group (N=1,125)	Control Group (N=887)	Impact	P-value	P-value
Quarter Mother Entered W-2	$2,251	$2,198	**$54**	**0.013**	$1,833	$1,754	$79	0.080	0.670
1st Quarter after Entry	2,639	2,626	13	0.566	2,534	2,463	70	0.185	0.258
2nd Quarter after Entry	2,572	2,550	22	0.418	2,602	2,513	89	0.193	0.270
3rd Quarter after Entry	2,528	2,459	**69**	**0.017**	2,588	2,514	74	0.306	0.997
4th Quarter after Entry	2,533	2,459	**73**	**0.016**	2,598	2,548	50	0.500	0.738
5th Quarter after Entry	2,437	2,362	**75**	**0.013**	2,621	2,598	24	0.765	0.470
6th Quarter after Entry	2,551	2,463	**88**	**0.008**	2,733	2,734	0	0.996	0.259
7th Quarter after Entry	2,582	2,522	60	0.089	2,762	2,691	71	0.410	0.960
8th Quarter after Entry	2,619	2,583	35	0.333	2,790	2,683	107	0.221	0.509
9th Quarter after Entry	2,562	2,563	-1	0.975	2,767	2,700	66	0.451	0.481
10th Quarter after Entry	2,598	2,627	-28	0.451	2,791	2,754	38	0.693	0.466
11th Quarter after Entry	2,660	2,643	16	0.681					
12th Quarter after Entry	2,693	2,638	55	0.176					
13th Quarter after Entry	2,635	2,598	36	0.365					
14th Quarter after Entry	2,669	2,630	40	0.357					
15th Quarter after Entry									
16th Quarter after Entry									
1st Year after Entry	$10,272	$10,095	**$177**	**0.048**	$10,322	$10,038	$284	0.200	0.617
2nd Year after Entry	10,189	9,931	**258**	**0.028**	10,906	10,705	201	0.501	0.773
3rd Year after Entry	10,513	10,472	41	0.763					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Sample excludes cases with no recorded Social Security number.

Table A3.32: Total Income of Custodial Mothers, by Subgroup

Subgroup	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group	Control Group	Impact	P-value	Experimental Group	Control Group	Impact	P-value	P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=921)	(N=745)			
1st Year after Entry	$9,398	$9,202	$196	0.424	$10,078	$9,900	$177	0.461	0.951
2nd Year after Entry	9,925	9,773	152	0.637	10,782	10,650	133	0.687	0.955
3rd Year after Entry	10,227	10,626	-399	0.275					
4th Year after Entry									
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$12,038	$11,785	$252	0.282	$12,775	$12,604	$171	0.762	0.802
2nd Year after Entry	11,832	11,697	135	0.660	13,396	13,327	69	0.930	0.982
3rd Year after Entry	12,044	12,234	-190	0.593					
4th Year after Entry									
Mother Entered in Lower Tier	(N=7,589)	(N=1,606)			(N=499)	(N=367)			
1st Year after Entry	$9,920	$9,840	$80	0.448	$10,215	$10,159	$57	0.864	0.817
2nd Year after Entry	9,382	9,255	127	0.379	10,299	10,308	-10	0.983	0.517
3rd Year after Entry	9,506	9,549	-43	0.796					
4th Year after Entry									
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=484)			
1st Year after Entry	$9,125	$8,695	**$430**	**0.024**	$9,905	$9,578	$327	0.298	0.699
2nd Year after Entry	9,363	9,004	358	0.141	10,517	10,331	186	0.668	0.712
3rd Year after Entry	9,623	9,493	130	0.640					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.33: Percentage of Legal Noncustodial Fathers with Earnings

Time Period	Cohort 1 Experimental Group (N=10,711)	Control Group (N=2,940)	Impact	P-value	Cohort 3 Experimental Group (N=778)	Control Group (N=674)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	39.1%	39.2%	-0.1%	0.938	49.4%	51.4%	-2.0%	0.492	0.666
1st Quarter after Entry	38.8	38.9	-0.1	0.961	49.7	50.9	-1.3	0.666	0.819
2nd Quarter after Entry	39.3	39.5	-0.2	0.886	49.2	50.5	-1.3	0.667	0.798
3rd Quarter after Entry	39.5	39.1	0.4	0.714	48.3	51.7	-3.4	0.233	0.190
4th Quarter after Entry	38.6	37.3	1.2	0.251	47.2	47.6	-0.4	0.896	0.637
5th Quarter after Entry	37.4	36.6	0.9	0.420	48.0	49.5	-1.5	0.594	0.498
6th Quarter after Entry	38.4	37.1	1.2	0.251	46.4	48.3	-1.9	0.509	0.367
7th Quarter after Entry	38.1	37.3	0.8	0.438	44.5	46.2	-1.7	0.556	0.427
8th Quarter after Entry	38.5	38.2	0.3	0.764	41.4	43.9	-2.4	0.397	0.393
9th Quarter after Entry	37.9	37.2	0.7	0.538	41.5	45.1	-3.5	0.221	0.174
10th Quarter after Entry	37.7	35.8	2.0	0.063	40.8	44.3	-3.5	0.225	0.086
11th Quarter after Entry	37.4	35.9	1.6	0.140					
12th Quarter after Entry	35.7	34.7	1.0	0.346					
13th Quarter after Entry	34.2	33.4	0.8	0.468					
14th Quarter after Entry	34.4	33.6	0.8	0.454					
15th Quarter after Entry									
16th Quarter after Entry									
1st Year after Entry	50.4%	50.1%	0.4%	0.745	68.7%	67.1%	1.7%	0.535	0.667
2nd Year after Entry	51.9	51.2	0.6	0.564	57.2	60.0	-2.8	0.326	0.273
3rd Year after Entry	53.9	51.8	2.1	0.053					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table A3.34: Percentage of Legal Noncustodial Fathers with Earnings, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=704)	(N=285)			(N=546)	(N=508)			
1st Year after Entry	63.1%	53.9%	**9.1%**	**0.020**	70.6%	70.8%	-0.2%	0.943	0.081
2nd Year after Entry	62.0	57.4	4.6	0.237	61.4	63.8	-2.4	0.459	0.175
3rd Year after Entry	61.2	54.4	6.7	0.083					
4th Year after Entry									
Higher Child Support History	(N=3,209)	(N=810)			(N=311)	(N=284)			
1st Year after Entry	74.6%	75.3%	-0.7%	0.742	3.0%	86.7%	2.3%	0.479	0.556
2nd Year after Entry	76.4	73.8	2.6	0.223	77.6	79.1	-1.5	0.727	0.267
3rd Year after Entry	76.3	72.4	3.9	0.069					
4th Year after Entry									
Mother Entered in Lower Tier	(N=6,502)	(N=1,793)			(N=410)	(N=358)			
1st Year after Entry	48.7%	48.0%	0.7%	0.632	67.0%	62.1%	4.9%	0.199	0.356
2nd Year after Entry	51.3	50.1	1.2	0.392	56.0	55.6	0.4	0.925	0.753
3rd Year after Entry	52.0	50.1	1.9	0.186					
4th Year after Entry									
Mother Entered Outside Milwaukee	(N=2,652)	(N=788)			(N=439)	(N=381)			
1st Year after Entry	58.2%	60.0%	-1.8%	0.403	72.4%	74.5%	-2.0%	0.545	0.928
2nd Year after Entry	55.8	58.3	-2.4	0.263	63.6	67.7	-4.1	0.264	0.722
3rd Year after Entry	58.1	57.9	0.1	0.951					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.35: Amounts Earned by Legal Noncustodial Fathers

Time Period	Cohort 1				Cohort 3				Cohort 3-Cohort 1
	Experimental Group (N=10,711)	Control Group (N=2,940)	Impact	P-value	Experimental Group (N=778)	Control Group (N=674)	Impact	P-value	P-value
Quarter Mother Entered W-2	$1,455	$1,495	$-40	0.356	$2,032	$1,976	$56	0.649	0.269
1st Quarter after Entry	1,426	1,447	-20	0.636	2,268	2,231	37	0.779	0.473
2nd Quarter after Entry	1,522	1,556	-34	0.448	2,406	2,304	101	0.450	0.153
3rd Quarter after Entry	1,575	1,557	18	0.705	2,241	2,303	-62	0.650	0.703
4th Quarter after Entry	1,591	1,589	2	0.970	2,192	2,223	-31	0.829	0.931
5th Quarter after Entry	1,513	1,450	62	0.185	2,427	2,326	100	0.494	0.630
6th Quarter after Entry	1,625	1,617	8	0.873	2,404	2,364	40	0.785	0.709
7th Quarter after Entry	1,678	1,671	7	0.899	2,236	2,270	-34	0.822	0.863
8th Quarter after Entry	1,705	1,719	-14	0.792	2,196	2,298	-102	0.515	0.658
9th Quarter after Entry	1,640	1,611	29	0.580	2,243	2,386	-143	0.338	0.330
10th Quarter after Entry	1,732	1,657	75	0.172	2,232	2,268	-36	0.810	0.501
11th Quarter after Entry	1,734	1,694	41	0.471					
12th Quarter after Entry	1,722	1,647	75	0.186					
13th Quarter after Entry	1,633	1,592	41	0.459					
14th Quarter after Entry	1,687	1,632	55	0.336					
15th Quarter after Entry									
16th Quarter after Entry									
1st Year after Entry	$6,114	$6,149	$-35	0.838	$9,107	$9,061	$46	0.923	0.665
2nd Year after Entry	6,521	6,458	63	0.735	9,264	9,259	5	0.993	0.962
3rd Year after Entry	6,828	6,608	220	0.274					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2. Sample excludes cases with no recorded Social Security number.

Table A3.36: Amounts Earned by Legal Noncustodial Fathers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3-Cohort 1 P-value
Mother Has No Recent AFDC History	(N=704)	(N=285)			(N=546)	(N=508)			
1st Year after Entry	$9,455	$9,449	$6	0.994	$10,056	$10,044	$12	0.983	0.815
2nd Year after Entry	9,839	10,213	-374	0.646	10,002	10,373	-372	0.556	0.972
3rd Year after Entry	10,044	10,230	-187	0.833					
4th Year after Entry									
Higher Child Support History	(N=3,209)	(N=810)			(N=311)	(N=284)			
1st Year after Entry	$14,377	$14,392	$-15	0.980	$15,856	$14,867	$989	0.341	0.493
2nd Year after Entry	14,986	14,563	423	0.507	16,675	14,876	1,799	0.136	0.338
3rd Year after Entry	15,239	14,529	710	0.290					
4th Year after Entry									
Mother Entered in Lower Tier	(N=6,502)	(N=1,793)			(N=410)	(N=358)			
1st Year after Entry	$5,901	$5,825	$77	0.719	$8,857	$8,649	$208	0.751	0.952
2nd Year after Entry	6,302	6,276	26	0.914	8,944	8,378	567	0.433	0.536
3rd Year after Entry	6,586	6,454	132	0.605					
4th Year after Entry									
Mother Entered Outside Milwaukee	(N=2,652)	(N=788)			(N=439)	(N=381)			
1st Year after Entry	$7,099	$7,690	$-591	0.093	$10,508	$10,407	$101	0.876	0.210
2nd Year after Entry	7,742	8,060	-317	0.410	10,655	10,716	-61	0.933	0.590
3rd Year after Entry	8,115	8,337	-222	0.596					
4th Year after Entry									

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type. Legal fathers are those whose paternity was legally established when the mother entered W-2.

Table A3.37: Net Government Costs for Custodial Mothers

Time Period	Cohort 1 Experimental Group (N=12,542)	Control Group (N=2,831)	Impact	P-value	Cohort 3 Experimental Group (N=1,126)	Control Group (N=888)	Impact	P-value	Cohort 3-Cohort 1 P-value
Quarter Mother Entered W-2	$2,578	$2,536	**$41**	**0.049**	$1,954	$1,874	**$80**	**0.063**	0.520
1st Quarter after Entry	3,116	3,089	27	0.347	2,683	2,627	56	0.365	0.632
2nd Quarter after Entry	2,892	2,867	25	0.455	2,290	2,233	56	0.395	0.594
3rd Quarter after Entry	2,733	2,706	27	0.455	2,095	2,065	30	0.675	0.849
4th Quarter after Entry	2,563	2,563	0	0.990	1,943	1,908	35	0.615	0.630
5th Quarter after Entry	2,460	2,437	23	0.553	2,026	1,919	107	0.158	0.320
6th Quarter after Entry	2,389	2,382	7	0.859	1,991	2,015	-24	0.765	0.808
7th Quarter after Entry	2,398	2,379	19	0.630	1,966	1,960	6	0.937	0.879
8th Quarter after Entry	2,295	2,294	1	0.982	1,945	1,984	-40	0.617	0.656
9th Quarter after Entry	2,256	2,237	19	0.637	1,928	2,014	-86	0.299	0.255
10th Quarter after Entry	2,279	2,269	9	0.827	2,026	2,106	-80	0.337	0.377
11th Quarter after Entry	2,374	2,393	-19	0.663	2,061	2,173	-112	0.185	0.341
12th Quarter after Entry	2,296	2,323	-27	0.519	2,099	2,068	31	0.713	0.580
13th Quarter after Entry	2,283	2,305	-22	0.622					
14th Quarter after Entry	2,312	2,343	-31	0.484					
15th Quarter after Entry	2,355	2,386	-31	0.490					
16th Quarter after Entry	2,360	2,358	2	0.969					
1st Year after Entry	$11,304	$11,224	$80	0.470	$9,010	$8,834	$176	0.432	0.613
2nd Year after Entry	9,542	9,492	50	0.718	7,928	7,878	49	0.858	0.972
3rd Year after Entry	9,205	9,223	-18	0.904	8,114	8,361	-248	0.414	0.506
4th Year after Entry	9,310	9,393	-82	0.613					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Table A3.38: Net Government Costs for Custodial Mothers, by Subgroup

Subgroup	Cohort 1 Experimental Group	Cohort 1 Control Group	Impact	P-value	Cohort 3 Experimental Group	Cohort 3 Control Group	Impact	P-value	Cohort 3- Cohort 1 P-value
Mother Has No Recent AFDC History	(N=1516)	(N=539)			(N=922)	(N=746)			
1st Year after Entry	$7,746	$7,898	$-151	0.493	$8,473	$8,446	$27	0.909	0.575
2nd Year after Entry	6,059	6,264	-205	0.451	7,504	7,565	-60	0.836	0.693
3rd Year after Entry	6,396	6,666	-271	0.395	7,789	8,113	-324	0.325	0.875
4th Year after Entry	7,024	7,545	-521	0.149					
Higher Child Support History	(N=2,303)	(N=488)			(N=231)	(N=191)			
1st Year after Entry	$10,918	$10,583	$336	0.227	$9,282	$8,322	$960	0.095	0.281
2nd Year after Entry	8,777	8,617	161	0.632	7,879	7,095	784	0.222	0.433
3rd Year after Entry	8,241	8,282	-40	0.907	7,263	7,558	-295	0.650	0.773
4th Year after Entry	8,130	8,166	-37	0.919					
Mother Entered in Lower Tier	(N=7,589)	(N=1,607)			(N=500)	(N=368)			
1st Year after Entry	$12,420	$12,347	$73	0.612	$10,210	$9,665	$545	0.118	0.252
2nd Year after Entry	10,170	10,062	108	0.551	8,267	7,866	400	0.340	0.753
3rd Year after Entry	9,583	9,674	-92	0.643	8,264	8,252	11	0.980	0.930
4th Year after Entry	9,611	9,733	-122	0.567					
Mother Entered Outside Milwaukee	(N=3,193)	(N=876)			(N=551)	(N=485)			
1st Year after Entry	$7,581	$7,331	$250	0.175	$7,652	$6,997	**$656**	**0.029**	0.186
2nd Year after Entry	5,891	5,752	139	0.521	6,684	6,467	217	0.572	0.732
3rd Year after Entry	5,893	5,921	-28	0.903	6,305	6,497	-192	0.610	0.787
4th Year after Entry	5,920	5,969	-49	0.837					

Notes: Regression-adjusted predictions. Differences that are statistically significant at the 0.05 level are shown in bold type.

Appendix 4
Government Perspectives on Costs

This appendix presents a more detailed cost analysis than appeared in Table 3.38, which presented selected costs from the perspective of the government as a whole. Table A4.1 shows costs from both state and federal government perspectives.[52] In each case, we calculate the net cost of the experiment by subtracting control-group costs from experimental-group costs. We calculate a net cost per case, then multiply by the total number of cases to calculate a total cost.

The first panel of Table A4.1 shows the calculation of net state costs for each cohort, over the first five quarters of the experiment. Net state costs are calculated by adding the experimental-control differences in the state share of W-2 payments, Medicaid/BadgerCare payments and child care subsidies. We then add the state share of any payments made by noncustodial fathers to reimburse Medicaid. We also add an estimate of the state share of the administrative costs per case. Finally, we subtract federal incentive payments for child support and medical support. Income tax payments on earnings are not included in this calculation. For Cohort 1, savings in lower W-2 payments to the experimental group outweigh other costs, resulting in a net benefit to the state of about $41 per case. The total state benefit, based on the 12,542 experimental-group cases in Cohort 1, is $514,222. In Cohort 3, experimental-group members received a greater amount of W-2 and Medicaid/BadgerCare payments. Though these state costs were slightly offset by lower child care subsidies to experimental-group members, there is a net cost to the state for this cohort of $56 per case, or $63,056 for all 1,126 experimental-group cases in Cohort 3.

There are several reasons that the calculation of costs for Wisconsin may not represent the experience other states would have with a full pass-through policy. Key issues discussed in the Phase 1 Final Report include the speed with which mothers are moving off W-2, the lack of a large difference in the policies faced by the experimental and control groups, and the relative socioeconomic disadvantage of W-2 participants. Two less immediately striking differences in the Wisconsin system may also lead to cost differences. First, BadgerCare has a number of unusual features, including the eligibility of adults in families, and continued eligibility of higher-income families (with required copayments in some cases). There is also an automatic one-year extension of coverage when participants leave W-2 for work. Second, the administrative data system (CARES) does not automatically take into account child support income when determining eligibility for Food Stamps and Medicaid, the amount of Food Stamps authorized, or whether a copayment is required for Medicaid. Instead, each program relies on worker investigation and discretion. This may have implications for why the receipt of more child support for experimental-group members has not consistently reduced Medicaid and Food Stamp program costs.

The second panel of Table A4.1 shows federal costs. These costs are calculated by adding the experimental-control differences in the federal share of Food Stamp and Medicaid/BadgerCare payments and administrative costs, and medical support payments. We then add the incentive payments made to the state for child support and medical support. Finally, we subtract the experimental-control difference in

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[52]This analysis is related to the cost neutrality reports completed to show net federal excess costs of the demonstration, although there are several differences. In addition to showing state costs, the data for this analysis are organized by relative months rather than calendar months, and only include cases that entered as part of Cohort 1 or 3. Because of the restriction on date of entry, control cost estimation required for certain cases in the cost neutrality reports is not required here.

the share of current child support payments that goes to the federal government.[53] Again, the potential benefit of income tax payments is not counted.

For Cohort 1, federal costs are largely driven by the federal share of child support, resulting in a per case cost of $136 and a total cost for the 12,542 experimental-group cases of $1,705,712. In Cohort 3, the cost of the child support pass-through is supplemented by higher experimental-group medical assistance and Food Stamps payments. Although there are some small offsets with higher control-group costs, there is a net federal cost for Cohort 3 of $191 per case, and a total of $215,066 for the 1,126 experimental-group cases in Cohort 3.

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[53]The federal government receives only the control group's federal share of child support (the experimental group's federal share is paid to families). Thus in calculating the experimental-control difference in the federal share of child support for each case, the experimental mean is zero, the experimental-control difference is by definition negative, and the item counts as a net federal cost.

Table A4.1: Government Costs Through the Fourth Quarter after Entry

	Cohort 1			Cohort 3		
	Experimental	Control	Net Costs	Experimental	Control	Net Costs
Costs to the State						
W-2 payments (and AFDC)	$ 4,114	$ 4,190	-$ 77	$ 2,397	$ 2,342	$ 55
Medicaid benefits (state share)	2,197	2,188	9	1,841	1,786	55
Child care subsidies	2,497	2,471	26	2,472	2,519	-47
Medical support (state share)	28 [a]	32 [a]	-3	48 [a]	56 [a]	-7
Food Stamp administrative cost (state share)	155	154	1	124	125	-1
Medicaid administrative cost (state share)	223	221	2	198	199	-1
Benefits to the State[b]						
Medical support incentive payment	4 [a]	5 [a]	1	7 [a]	8 [a]	1
Total Cost per W-2 Case			-$ 41			$ 56
Number of Experimental and Nonexperimental Cases	12,542			1,126		
Total State Costs			$-514,222			$63,056

	Cohort 1			Cohort 3		
	Experimental	Control	Net Costs	Experimental	Control	Net Costs
Costs to the Federal Government						
Food Stamp benefits	$ 2,692	$ 2,690	$ 2	$ 1,878	$ 1,839	$ 39
Medicaid benefits (federal share)	3,142	3,129	13	2,629	2,550	79
Medical support (federal share)	40 [a]	45 [a]	-5	69 [a]	79 [a]	-11
Food Stamp administrative cost (federal share)	222	220	2	178	178	-1
Medicaid administrative cost (federal share)	319	316	3	283	284	-1
Medical support incentive payment	4 [a]	5 [a]	-1	7 [a]	8 [a]	-1
Benefits to the Federal Government:						
Federal share of current child support (paid to federal government)	0	121 [c]	121	0	86 [c]	86
Total Cost per W-2 Case			$ 136			$ 191
Number of Experimental and Nonexperimental Cases	12,542			1,126		
Total Federal Costs			$1,705,712			$215,066

[a] Medical support is lying-in costs and other medical expenses, reimbursed by the noncustodial parent to the state. The federal government pays the state a 15 percent incentive payment for these collections.

[b] An additional benefit to the state and cost to the federal government that is not shown is the child support incentive payment, made by the federal government to states and based on the amount of child support collected. This is now distributed on the basis of a state's collections relative to other states, and cannot be easily attributed to individuals. Because collections are higher for those in the experimental group, the experimental-control difference in the incentive payment, if shown in this table, would slightly decrease the per-case cost to the state, and slightly increase the per-case cost to the federal government.

[c] The federal share of current child support is 59 percent of payments made when a mother in the control group is in a lower tier. Note that only current support is included in this calculation, and in the calculation of the child support incentive.

Appendix 5
Implementation Study
Categories for Coding Qualitative Data

Hierarchical Coding Categories:

    Base Data Coding Categories:
        /Locality
        /Agency type
            /TANF
            /Child Support
            /Judicial

        /Position of respondent
            /Admin
            /Case Mgr
            /Info (Customer service worker)
            /Lawyer

    Content Coding Categories:

        /Pass-Through (CSDE)
            /Knowledge of Pass-Through policies
                /Respondents'
                /Participants'

            /Communicating policy change to parents

        /Reaction to Full Pass-Through policy
            /Staff reaction
            /Custodial parents' reaction
            /Noncustodial parents' reaction
            /Judicial officials' reaction

        /Effect of Full Pass-Through on agency work
            /Effect on workload
                /Work load W-2 agencies
                /Workload child support agencies

            /Effect on work process
                /W-2 agency work process
                    /Case mgt work
                    /Record keeping-eligib. determination
                /CS agency work process

        /Evaluation of Full Pass-Through policy

        /Full Pass-Through communication recommendations

        /Full Pass-Through policy effects on ability to meet performance standards
            /W-2 performance standards
            /Economic support program performance standards
            /Child Support performance standards

Hierarchical Content Coding Categories continued-

> **/Types of supports**
>> /Transportation
>> /Child care
>> /Food
>> /Medical insurance
>> /Cash assistance
>> /Housing
>> /Non-food household items
>> /Training
>
> **/Sources of support**
>> /Family
>> /Other community members, Charity organizations
>> /Bartering
>> /Self-provisioning
>> /Through employment
>> /Noncustodial parent
>> /Government
>>> /W-2 agency
>>> /Other
>
> **/Child support issues**
>> /Financial
>> /Non-Financial
>> /significance of child support orders
>
> **/Case management**
>> /Child Support case management
>> /W-2 case management
>>> /W-2 case management philosophy
>>> /W-2 case mgt practices related to child support
>
> **/Interactions among agencies**

Nonhierarchical Content Coding Categories:

> Family
> Responsibility
> Entitled/owed
> Noncustodial parent programs
> Court hearings
> Cooperation with the child support agency
> Employment versus receipt of state assistance

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