Exploring the Long-Term Effects of Child Support

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New Research On The Child Support Landscape In Wisconsin
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Any views expressed here are ours alone and not necessarily those of the sponsoring institution
Background and Research Questions
Child Support Policy

• A legal arrangement about a monetary transfer from noncustodial parents to a custodial-parent family to promote their economic well-being.

• Established evidence suggests the policy’s short-term positive effects on children.

• Knowledge gap: Little research explored the long-term effects of child support receipt on children.
Intergenerational Transmission of Economic Status

• Intergenerational persistence in economic outcomes
  – via human capital investment in children, endowments of earning capacity

• Growing up in a single-parent family may diminish access to parental resources & future economic outcomes.

• Child support policy may mitigate the intergenerational transmission of the economic disadvantage of children living with single mothers.
Study Aim and Research Questions

• To examine the impact of receiving formal support as a child on economic outcomes as young adults

• A two-study approach:
  – the Wisconsin Child Support Demonstration Evaluation (CSDE)
  – the Wisconsin Court Record Data (WCRD)

• Will adults who received child support (compared to those who did not receive it or received very little)
  – have lower, higher, or similar earnings;
  – be more, less, or equally likely to be employed?
Study 1
Data, Approach, and Findings
Study 1: Wisconsin CSDE

• A large-scale random-assignment experiment of the treatment of child support for Wisconsin Works (W-2) recipients in 1997-98.

• Random assignment
  – Mothers who received all child support paid on their behalf (full support)
  – Mothers who received only a part (partial support)
Study 1: Study Sample

- 17,923 children whose mothers were assigned to full support group or partial support group
  - Matched with Wisconsin’s Unemployment Insurance (UI) records → earnings in formal jobs in Wisconsin

<table>
<thead>
<tr>
<th></th>
<th>Partial Support</th>
<th>Full Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Age</td>
<td>6.36 (4.01)</td>
<td>6.39 (4.05)</td>
</tr>
<tr>
<td>Child Male</td>
<td>49.5%</td>
<td>49.8%</td>
</tr>
<tr>
<td>Child Black</td>
<td>54.0%</td>
<td>53.1%</td>
</tr>
<tr>
<td>Mother Age (&lt;=25)</td>
<td>39.8%</td>
<td>38.4%</td>
</tr>
<tr>
<td>Mother Education (&lt; HS)</td>
<td>53.3%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Number of Children (&gt;=3)</td>
<td>62.9%</td>
<td>62.9%</td>
</tr>
</tbody>
</table>
Study 1: Measures and Analytic Approach

- Child support status
  - Full Support vs. Partial support

  As a Child (0 ~ 16 years old)

- Earnings:
  - Sum of 2018-2019 earnings

- Employment:
  - Number of quarters in 2018-2019 with any earnings

As a Young Adult (21 to 38 years old)

• Controlled for the group differences (that presumably occurred by chance)
Study 1: Findings

- Children in the full child support group, compared to the partial support group, had higher earnings (about $1,000/year).

- No statistically significant differences in terms of employment.
Study 2
Data, Approach, and Findings
Study 2: Data

• WCRD consists of cases coming to family court in 21 Wisconsin counties filed for/to:
  (a) divorce or legal separation,
  (b) establish paternity of a minor child, or
  (c) a child support order

• Study sample: Cases with court petition dates from 1989–1992
  - 2,242 children aged 16 or less at the petition whose mothers had sole physical custody
  - Matched with Wisconsin’s administrative record of child support receipts and UI records
Study 2: Measures

• Child support receipt up to eight years after an initial order of child support
  – Approx. 22% received no support and 6.5% received very little.

• Child support status
  – Child support group vs. no child support group (\leq 5$/child/month)

• Examined the same set of outcome variables
Study 2: Measures and Analytic Approach

Child support status

Some support vs. no support

As a Child
(0 ~ 16 years old)

Propensity Score Matching (PSM)

Earnings:
Sum of 2018-2019 earnings

Employment:
Number of quarters in 2018-2019 with any earnings

As a Young Adult
(27 to 46 years old)

* PSM: a method of dividing groups to approximate random assignment
Study 2: Findings

• Receiving child support was associated with
  – an increase in earnings (about $16,900/year);

  – being more consistently employed, by 4-11 weeks, as adults.
Study 2: Sensitivity Analyses

1) Child support receipt threshold >> e.g., $20/child/month
2) Identified and excluded out-of-state-cases ($n = 612$)

Overall, key results were consistent:
  – Child support receipt was associated with an increase in adult earnings.
  – Mixed findings related to employment.
Summary and Implications
# Two Studies Comparison

<table>
<thead>
<tr>
<th></th>
<th>Study 1</th>
<th>Study 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comparison of child support receipt</strong></td>
<td>Those who received full child support vs. only some</td>
<td>Those who received some child support vs. none</td>
</tr>
<tr>
<td><strong>Comparability of groups</strong></td>
<td>Assured by random assignment</td>
<td>Statistical matches</td>
</tr>
<tr>
<td><strong>Population studied</strong></td>
<td>Mothers receiving W-2</td>
<td>Mothers coming to family court</td>
</tr>
</tbody>
</table>
Summary of Findings

• Overall:
  – Child support receipt was associated with an increase in adult earnings.
    • Differences in adult earnings vary substantially across studies.
  – Mixed findings related to employment
Discussion

• Supported the prior studies about the positive effects of child support policy on children.

• Added new evidence that child support receipt may have a long-term positive effect on adult earnings and employment opportunities.

• More research is needed to examine other outcomes and populations.
Policy Implications

• Providing evidence of long-term benefits of effective child support policies
  – Child support policy mitigates the persistence of economic disadvantage associated with single parenthood.

• Securing financial resources may contribute to a child’s development, which affects economic potentials as young adults.
Limitations

• Study sample was limited to children with custodial mothers & instate residents.

• Limited variable availability

• Did not incorporate non-financial contributions of non-custodial parent
THANK YOU!

Questions?

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