THE VALUE OF CHILD SUPPORT: TOUCHING THE LIVES OF PARENTS & CHILDREN

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OUTLINE

• Caseload Characteristics
• Custodians and Children
• Non-Custodial Parents
• Payments and Arrears
• Innovative Strategies
CASELOAD CHARACTERISTICS
MARYLAND’S CASELOAD

The majority of the caseload is located in Prince George’s County and Baltimore City.

Percentages are based on a random sample of active child support cases in July 2005.
MARYLAND’S CASELOAD

About 1 out of 4 cases are Foster Care, Medical Assistance, or Arrears Only cases.

Percentages are based on a random sample of *active* child support cases in July 2005.
MARYLAND’S CASELOAD

About 3 out of 5 custodians have received TANF in the past, or are currently receiving TANF.

- Never TANF: 41%
- Former TANF: 48%
- Current TANF: 11%

Percentages are based on a random sample of active child support cases in July 2005.
MARYLAND’S CASELOAD

One-half of all cases have a current support order established, with an average order amount of about $300 per month.

Percentages and means are based on a random sample of active child support cases in July 2005, and do not include arrears orders or other types of orders.
CUSTODIANS AND CHILDREN
CUSTODIANS

• 9 out of 10 are female (93.0%)

• Mid-thirties, on average (36.6)

• 1 in 10 with an order live out of state (9.7%)

Gender and Age figures are based on a random sample of active child support cases in July 2005; Residence is based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001
CUSTODIANS

TANF receipt declines in the years following child support order establishment.

Percentages and means are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
CUSTODIANS

In the year before order establishment*:

- 67.4% employed in MD
- Worked 3 out of 4 quarters, on average
- Earned $3,659.98 per quarter, on average
- Earned $13,089.46 for the year, on average

Percentages and means are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001; Excludes data from other states, federal government, and other non-UI-covered employment; Wages standardized to 2004 dollars.
CUSTODIANS

Average earnings increase in the years following child support order establishment.

Means are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001; Excludes data from other states, federal government, and other non-UI-covered employment; Wages standardized to 2004 dollars.
“For every $1.00 of child support paid to the mother, her income increases by $1.89.”

Children

- 50.8% Male, 49.2% Female

Average # of Children per Case: 1.3

Average age: 10.4 years

Percentages and means are based on a random sample of active child support cases in July 2005.
“Among families receiving support in 2001, families below poverty received an average of $2,500 in support, or 30 percent of total family income.”

$1,000 of Child Support vs. $1,000 of other income

- Child Support is more likely to raise a child’s GPA.
- Child Support is more likely to reduce problems at school.

CHILDREN

- Children’s receipt of child support is related to:
  - Higher standardized test scores
  - Higher grades
  - Higher teachers’ rating
  - Graduation from High School
  - More years of education completed
  - Less misbehavior at home or school
  - Less aggression and delinquency

NON-CUSTODIAL PARENTS
NON-CUSTODIAL PARENTS

- **9 out of 10** are male (89.9%)
- **40 years old**, on average (38.8)
- **Less than 1 in 20** are incarcerated when their order is established (3.0%)
- **1 in 10** were previously incarcerated (10.0%)

Gender and Age figures are based on a random sample of *active* child support cases in July 2005 and Incarceration figures are based on a random sample of non-custodial parents in an active child support case in Maryland in September 2004, with data from Maryland state prisons and the Baltimore City Detention Center, but not County jails.
Non-custodial parents

Approximately 1 in 5 NCP’s live outside of Maryland, but this varies by jurisdiction.

Average: 22.8%

Percentages are based on a random sample of active child support cases in July 2005.
Non-Custodial Parents

In the year before order establishment:

- 71.1% employed in Maryland
- Worked 3 out of 4 quarters, on average
- Earned $4,655.64 per quarter, on average
- Earned $16,369.20 for the year, on average

Percentages and means are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001; Excludes data from other states, federal government, and other non-UI-covered employment; Wages standardized to 2004 dollars.
NON-CUSTODIAL PARENTS

Average earnings remain relatively flat in the years following child support order establishment.

Percentages and means are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001; Excludes data from other states, federal government, and other non-UI-covered employment; Wages standardized to 2004 dollars.
PAYMENTS PATTERNS AND ARREARS
FACTORS AFFECTING CHILD SUPPORT PAYMENTS
TOTAL CHILD SUPPORT PAID

Over time, the % of obligors paying $5,000 or more increases, but so does the % paying $0; Most obligors pay some support.

Percentages and amount paid are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001
Payers & Non-Payers Over Time

Those who paid something in the 1st year after order establishment also paid in subsequent years.

Percentages and amount paid are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
Payers & Non-Payers Over Time

Those who paid nothing in the 1st year after order establishment also paid nothing in subsequent years.

Percentages and amount paid are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
The portion of obligors paying over 75% of their child support obligation increases over time, but so does the portion paying 0%.

Percentages and amount paid are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
“Of the 1 million poor nonresident fathers paying child support, a quarter pay more than 50 percent of their gross income in support…”

Half of obligors with a monthly income of minimum wage or less pay no support in the first year.

Percentages and income figures are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
COMPLIANCE

As earnings increase, so does the likelihood of paying over 50% of the current support obligation.

Percentages, income, and payment figures are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
COMPLIANCE

As the distance between obligor and custodian addresses increases, so does the likelihood of paying over 50% of the current support obligation.

Percentages, addresses, and payment figures are based on a random sample of cases with new current support orders established between Jan. 1999 and Dec. 2001.
Most child support arrears are owed to custodians.

- **Custodians:**
  - $994,273,184

- **Maryland:**
  - $376,248,007

- **Other States:**
  - $119,573,334

**Total:**
$1,490,094,525

Percentages and amounts are based on the universe of active or suspended child support cases in Maryland in September 2005 with an arrears balance greater than $0.
INNOVATIVE STRATEGIES
ARREARS LEVERAGING PILOT PROGRAM

- Forgiveness of state-owed arrears for NCPs who:
  - Had at least one current/active child support case in Baltimore City with a state-owed arrears balance between November 2000 and March 2004; and
  - Successfully completed and was referred by an employment program offered through one of six local community-based organizations (CBOs); and
  - Regularly met current support obligations.
ARREARS LEVERAGING PILOT PROGRAM

Example:

Total Obligation of $16,000

- Stage 1: $4,000
- Stage 2: $3,000
- Stage 3: $3,000
- Stage 4: $3,000
- Stage 5: $3,000

- 25% of Original Balance forgiven upon completion of employment program through a CBO
- ¼ of Remaining Balance forgiven for each six consecutive month-period of current support payments
ARREARS LEVERAGING PILOT PROGRAM

Stage 1
Graduated from CBO, 25% of total arrears forgiven

Stage 2
Paid support for 6 consecutive months, first 1/4 of remaining adjusted balance forgiven

Stage 3
Paid support for another 6 consecutive months, second 1/4 of remaining adjusted balance forgiven

Stage 4
Paid support for another 6 consecutive months, third 1/4 of remaining adjusted balance forgiven

Stage 5
Paid support for another 6 consecutive months, final 1/4 of remaining adjusted balance forgiven
The % of child support paid per year was highest among those who continued in the program.

For methodological details, please see our report *Arrears Leveraging Pilot Project: Outcomes Achieved & Lessons Learned*, available at [www.familywelfare.umaryland.edu](http://www.familywelfare.umaryland.edu)
More child support was collected than was forgiven.

For methodological details, please see our report *Arrears Leveraging Pilot Project: Outcomes Achieved & Lessons Learned*, available at [www.familywelfare.umaryland.edu](http://www.familywelfare.umaryland.edu)
ARREARS LEVERAGING PILOT PROGRAM

Lessons Learned

- It is highly recommended that any project include:
  - An employment services component;
  - Designated liaisons; and
  - Carefully considered criteria for program eligibility.
ARREARS LEVERAGING PILOT PROGRAM

Lessons Learned

- Implications of using other enforcement actions
- Possible need for support order modifications
- Non-payers can become payers through creative approaches
EARLY INTERVENTION

• Goal is to engage non-custodial parents so that they pay their child support obligations in full and on time.

Before
*Establishment
*Delinquency
*Intervention

After⁴
*Establishment
*Intervention
*Payment

In Maryland, 4 counties began an early intervention project in May 2005:

- Howard
- Montgomery
- Washington
- Calvert (Half of caseworkers used new methods, and half did not)
EARLY INTERVENTION

• Project sites concentrated on the time between when an order is established and the first payment is due.
  – Encouraged obligors to make first payment at the courthouse when the order is established.
  – Made reminder phone calls before the first payment was due.
EARLY INTERVENTION

• Some took additional action if the first payment was not received:
  – In Calvert County, NCPs were sent a court summons.
  – In Montgomery & Washington Counties, non-payers received a notice to appear at an administrative hearing.
# Early Intervention Evaluation Design

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Comparison Group</th>
<th>Early Intervention</th>
<th>Type of Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calvert</td>
<td>New Current Support Orders w/o EI: 6/1/05 – 5/31/06</td>
<td>New Current Support Orders w/EI: 6/1/05 – 5/31/06</td>
<td>Contemporaneous</td>
</tr>
</tbody>
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EARLY INTERVENTION
Outcomes to be Measured

• Percent of obligors making the first payment by the payment due date; and

• Length of time from order establishment to the first payment.
TRIVIA ANSWERS

THANK YOU!

For more information or to read the full reports, please visit:

www.familywelfare.umaryland.edu