

AFTER THE ORDER IS ESTABLISHED: CHILD SUPPORT PAYMENT PATTERNS & PREDICTORS

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Paper presented at the 46th annual workshop of the National Association for Welfare Research and Statistics

This research was funded by the Maryland Department of Human Resources

THE POLICY CONTEXT



- The public child support program touches the lives of more than 16 million children.
- Debate concerning who pays, who doesn't, & why.
- Few studies examine payment patterns over time & payment predictors.

RESEARCH QUESTIONS



- 1) What are the child support payment patterns during the first few years of a support order?
- 2) What factors predict payment compliance? Do these factors vary over time?

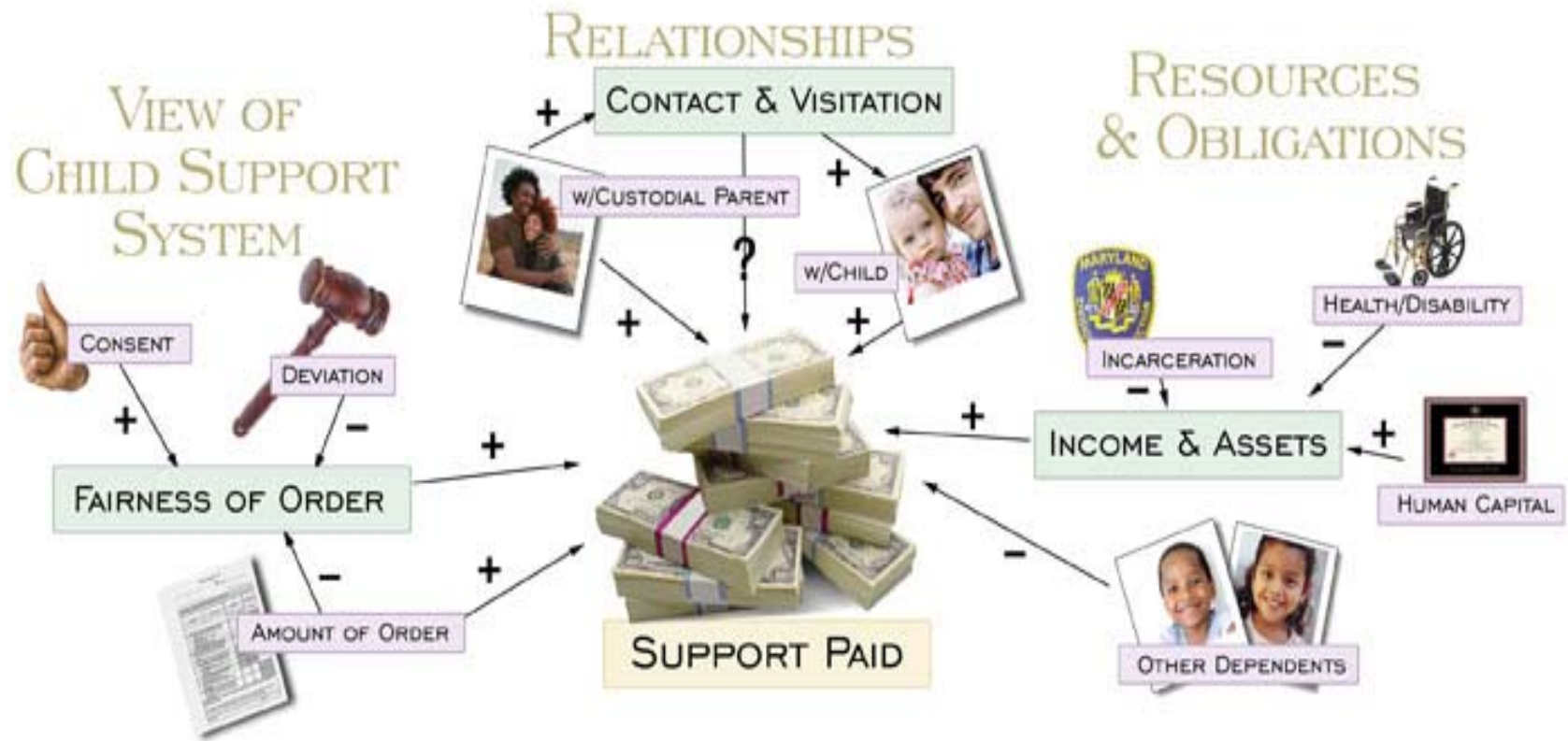
BACKGROUND



- Nationally > \$23 billion collected
- Support was collected for 7 out of ten cases with an order.

However. . .Some obligors pay all their support, some pay some, & others pay none. Cross-sectional program data provide little information on proportions in each of these groups & patterns over time.

FACTORS AFFECTING CHILD SUPPORT PAYMENTS



CHILD SUPPORT BURDEN



- Discussion in the literature focuses on the burden of the child support order as a determinant of payments & compliance:

Burden = Order Amount/Obligor Income

THE PRESENT STUDY



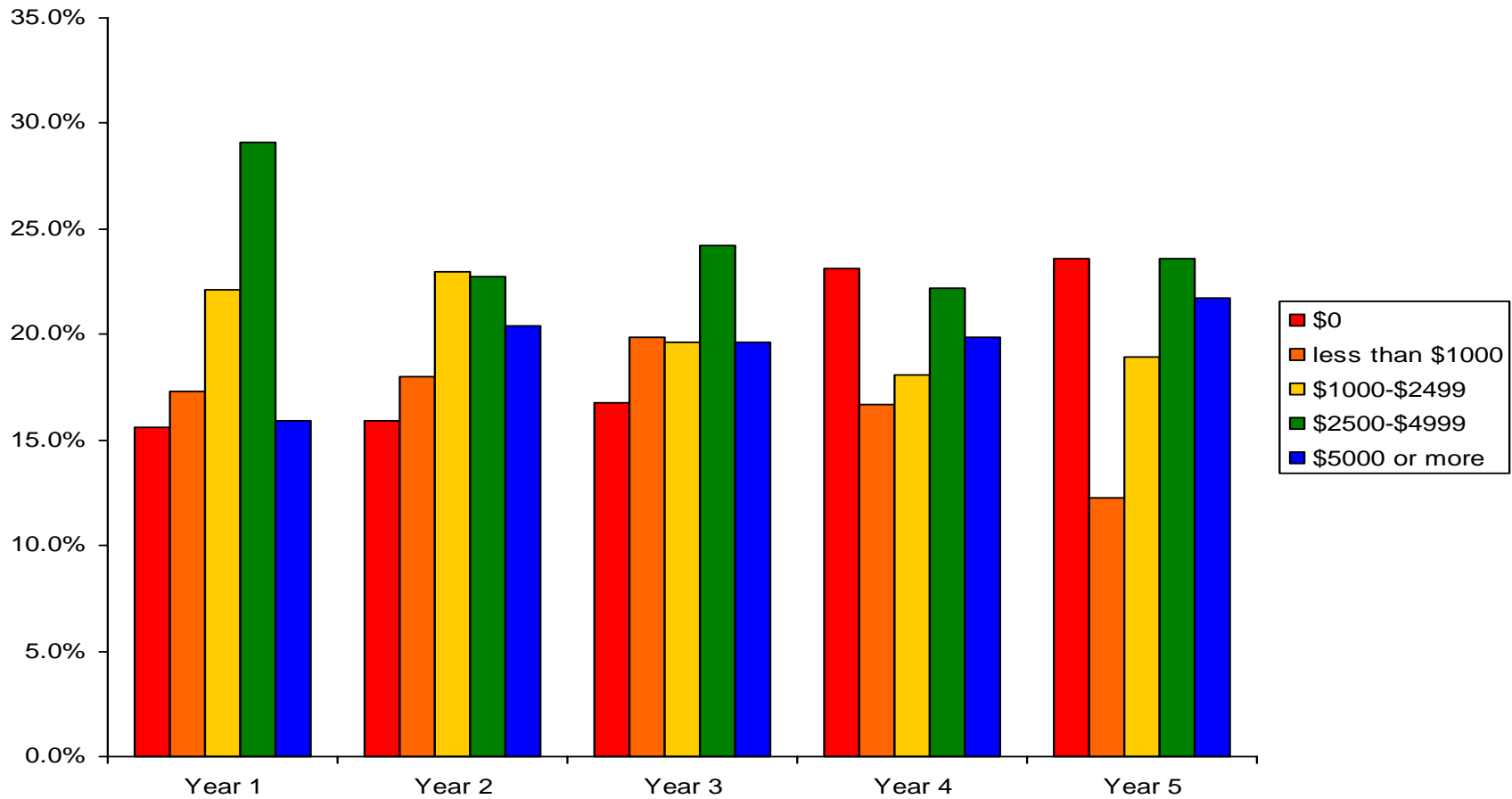
- Expands the literature in three ways:
 - 1) Longer follow-up period: first 5 years of an order
 - 2) Include predictors related to the order establishment process & geographical distance
 - 3) Include obligors who have more than one support obligation

METHOD

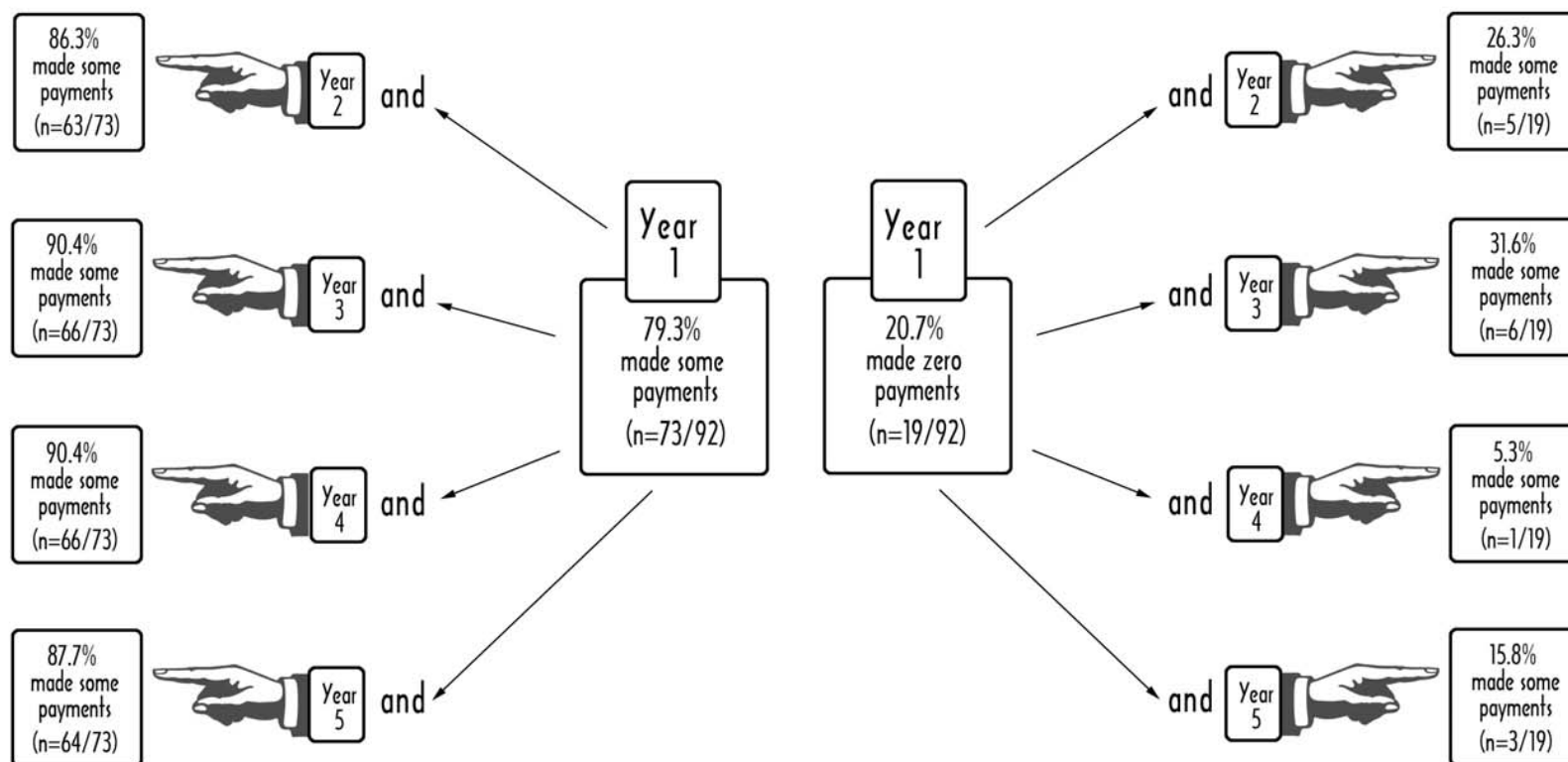


- Random sample of 380 cases with new orders for current support established between January 1999 & December 2001
- Case record reviews – NCP & CP income; guidelines calculations; deviations
- Administrative data from child support enforcement & UI employment systems

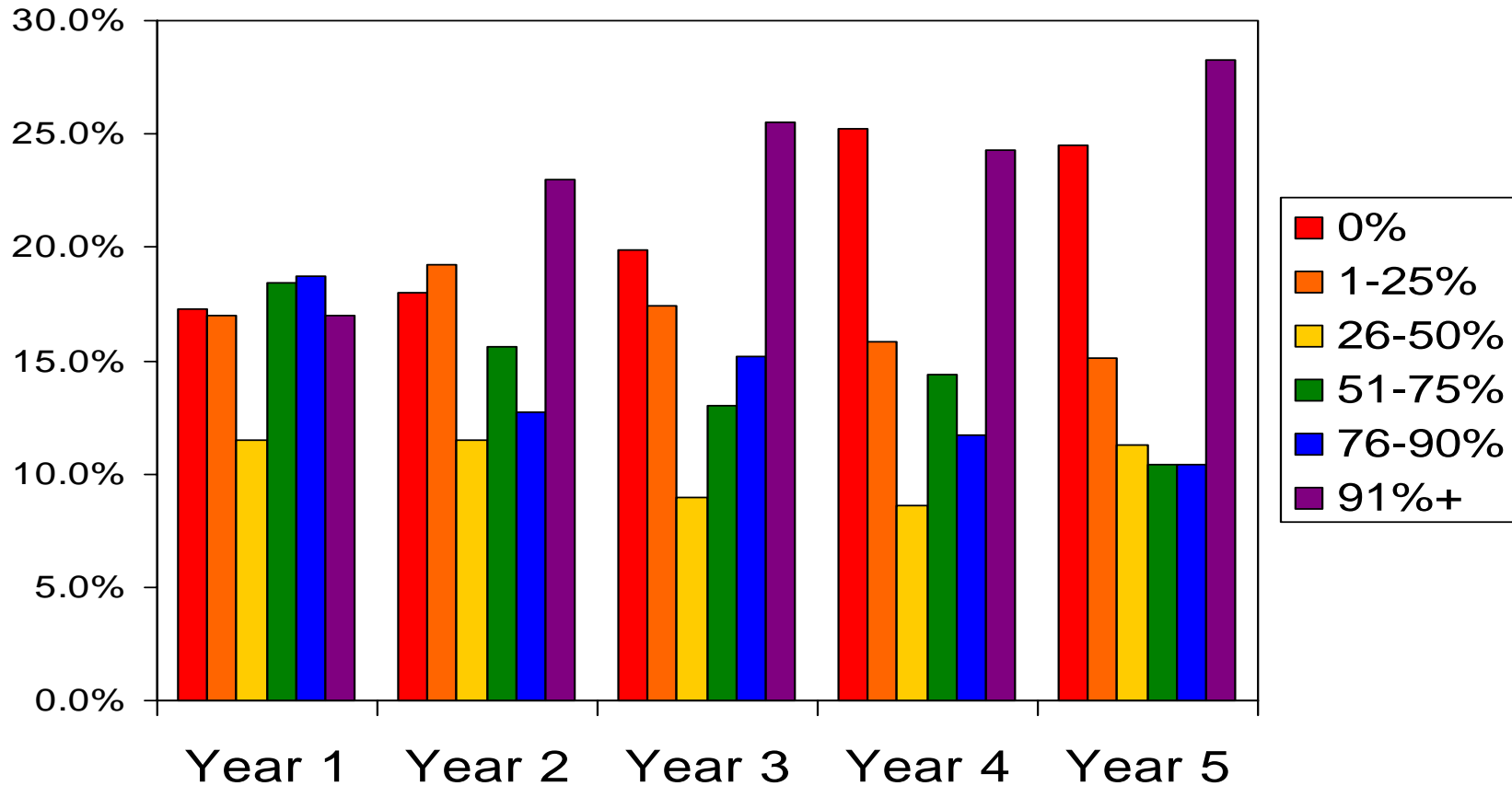
TOTAL CHILD SUPPORT PAID



PAYERS & NON-PAYERS OVER TIME



COMPLIANCE: PERCENT OF AMOUNT DUE THAT IS PAID



Over time, the percent paying all or nearly all increases.

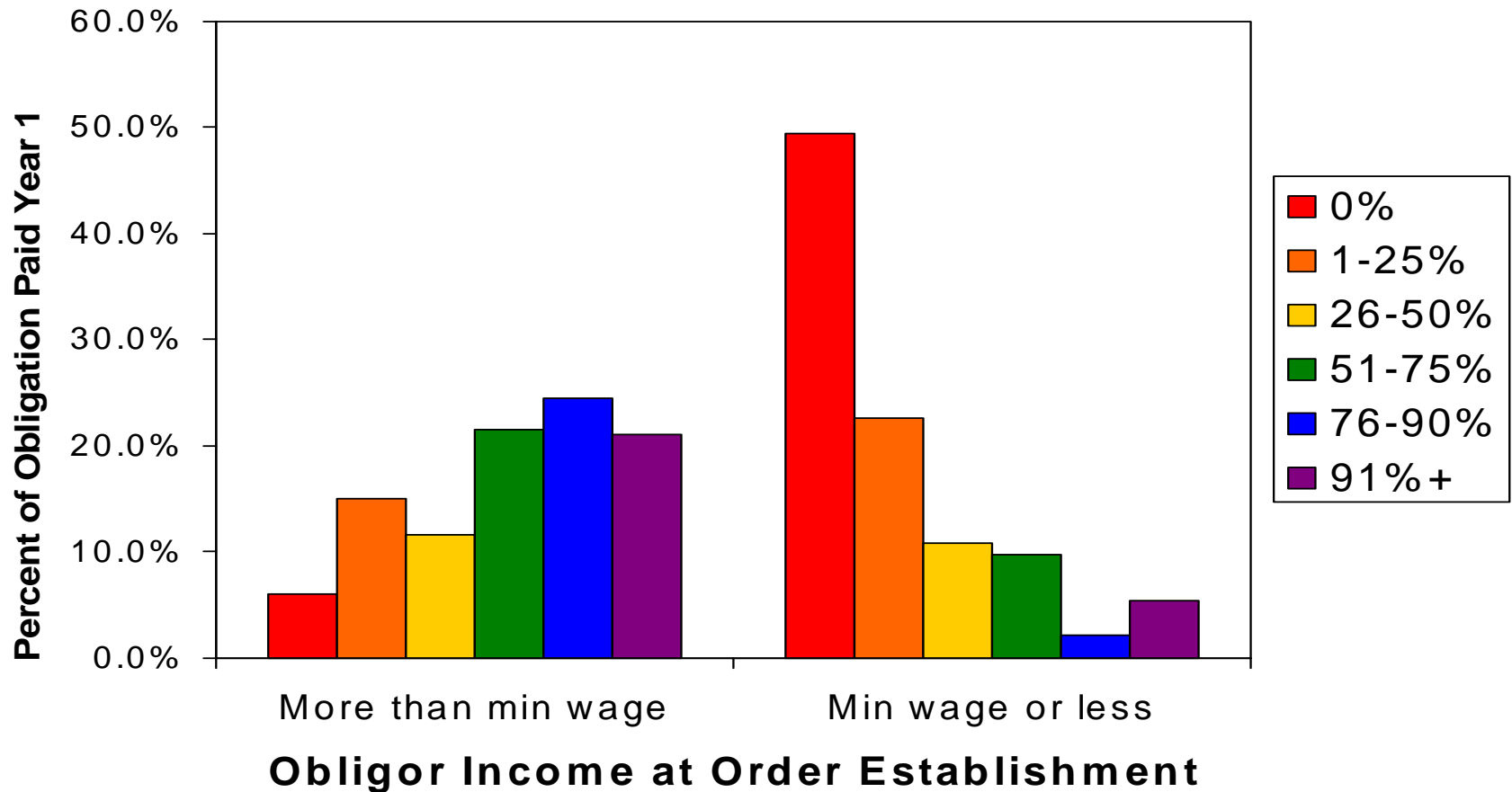
However, so does the percent paying nothing.

PREDICTORS OF COMPLIANCE

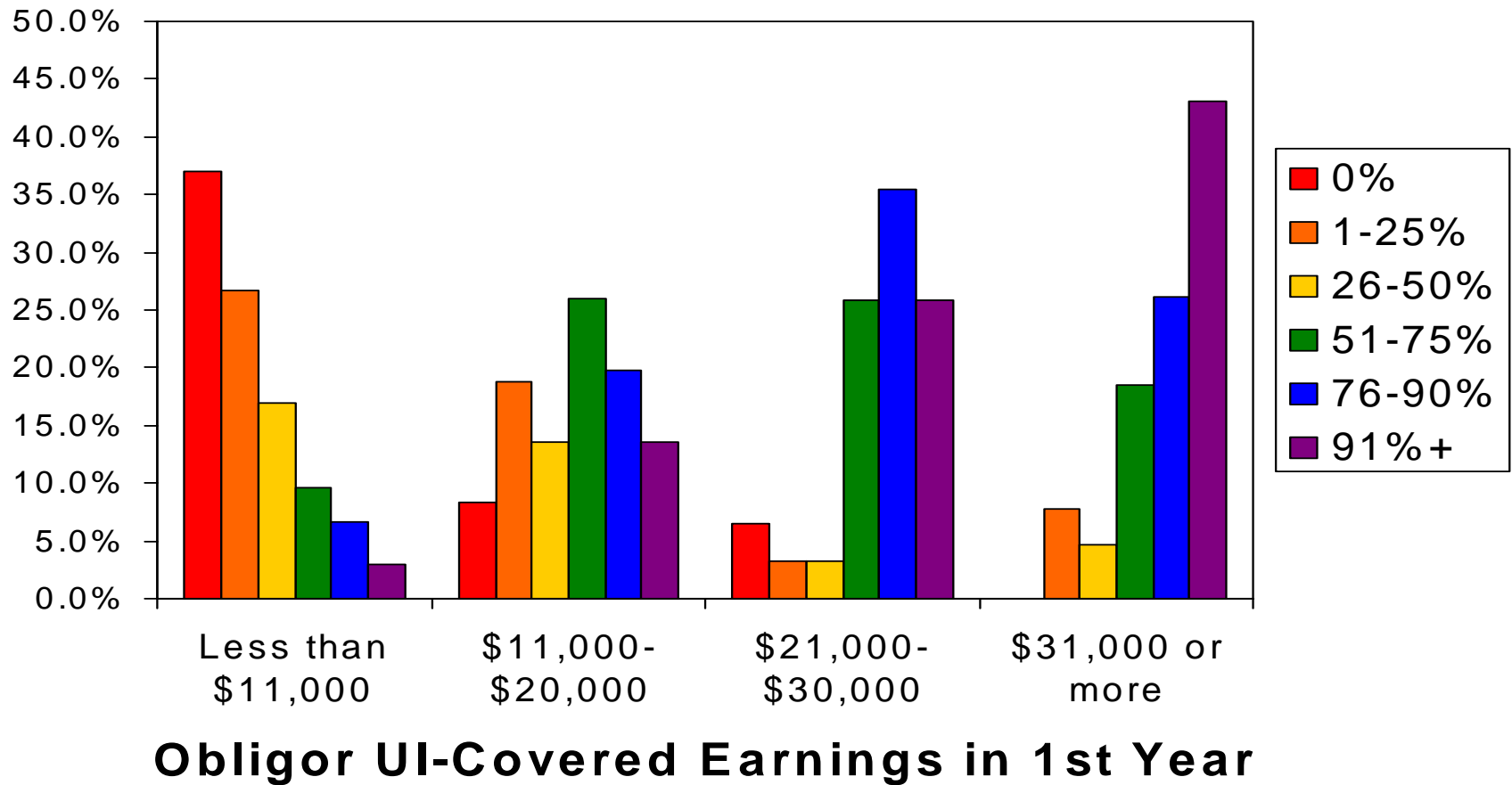


- Demographics – NCP age*, gender*, other support obligation, state
- Order – paternity/non-marital*, consent, NCP income minimum wage or less*, deviation
- Income – NCP UI-covered earnings*, burden*
- Distance between obligor & custodian residences*

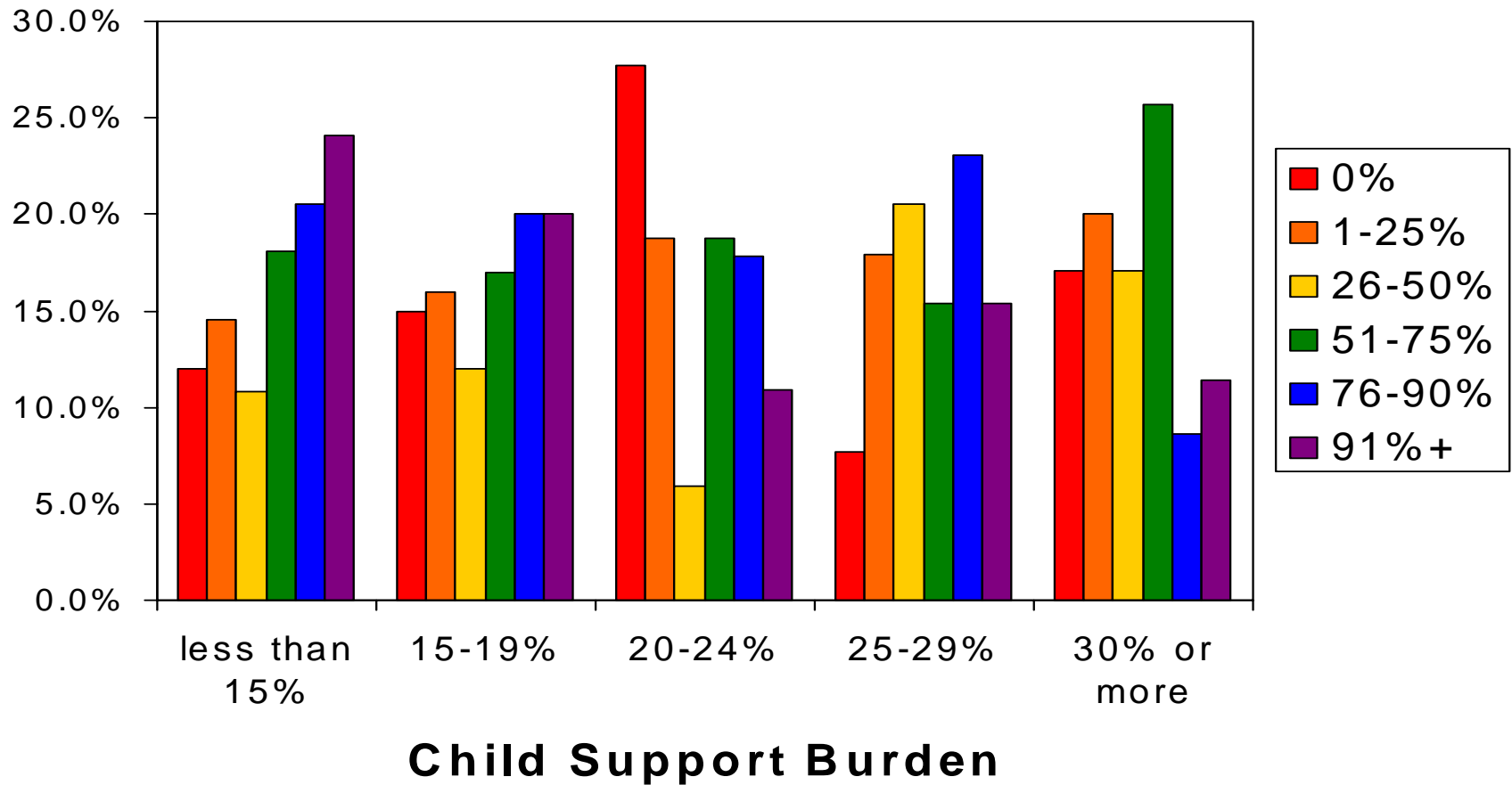
COMPLIANCE IS SIGNIFICANTLY LOWER IF NCP INCOME IS MINIMUM WAGE OR LESS



COMPLIANCE VARIES SIGNIFICANTLY BY OBLIGOR EARNINGS



COMPLIANCE VARIES SIGNIFICANTLY BY BURDEN



MULTIPLE REGRESSION PREDICTING COMPLIANCE IN 1ST YEAR

Predictor	Beta
Paternity order**	-.126
Minimum wage***	-.257
Earnings (\$1000s)***	+.394
NCP lives 11-30 miles from CP vs 10 miles or less*	+.102
NCP lives more than 31–60 miles from CP vs 10 miles or less*	+.093

R = .672

Controls: NCP age, NCP gender, NCP pays other support, NCP state, consent, deviation, child support burden, NCP & CP have the same address

MULTIPLE REGRESSION PREDICTING COMPLIANCE IN 3RD YEAR

Predictor	Beta
NCP resides outside of Maryland*	-.119
Minimum wage***	-.205
Arrears balance in previous year (\$100s)***	-.362
Earnings (\$1000s)***	+.289

R = .689

Controls: NCP age, NCP gender, NCP pays other support, paternity order, consent, deviation, child support burden, distance between NCP & CP, NCP & CP have the same address

SUMMARY OF RESULTS



- Over time, the average amount of support paid remains stable.
- Over time, the percent of obligors paying nothing and the percent paying all or nearly all increases.

SUMMARY OF RESULTS



- In the first year, obligor income & earnings have the largest effects on compliance.
- In the third year, obligor income & earnings are still important. In addition, higher arrears balance predict lower compliance in the following year.

LIMITATIONS



- Earnings data limited to Maryland UI-covered employment.
- Relationship between earnings & compliance likely reflects income & enforcement.
- Address data may not be accurate in some cases.

POLICY IMPLICATIONS



- 1) Because non-payers don't generally turn into payers over time, **early intervention** is a very wise strategy.

POLICY IMPLICATIONS



2) Agencies may want to review the appropriateness of certain order establishment practices (e.g., consent, deviations) in light of findings that they do not predict higher compliance.

POLICY IMPLICATIONS



3) Because income is such a strong predictor of compliance, agencies would be wise to link obligors with **employment programs.**



THANK YOU!



The full report will be available shortly on our website:

<http://www.familywelfare.umaryland.edu>

For more information on this study, please send an e-mail:

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