

Executive Summary

Child support can represent an important income source for many low-income families, and the receipt of support may be most critical for women as they transition off welfare. In fact, in the post-welfare reform era emphasizing work and self-sufficiency, child support is seen by many policymakers as a key income support.

Administrators at all levels of government are increasingly recognizing the importance of collaboration between various social service agencies, and the agencies administering welfare (Temporary Assistance for Needy Families, or TANF) and child support are no exception. In the effort to support self-sufficiency, for example, it is important to make sure that women receive all child support to which they may be entitled while receiving benefits but also after leaving welfare, and that they understand the rules of child support and how much they should receive while on and off welfare.

This report examines the interaction of child support and welfare receipt by addressing several questions concerning child support receipt for samples of current and former welfare recipients. We use several data sources, covering different samples, time periods, and geographic areas, to address these questions in an effort to understand current and former recipients' status in the child support system, such as their rates of receipt before and after leaving welfare, and the effects of child support on self-sufficiency. This report is the second and final in a series for this project. The first report provided an extensive literature review addressing each of the key research questions.¹

Key Research Questions

1. What is the child support status of current and former welfare recipients?
2. What are the patterns of child support receipt around the welfare exit?
3. What are the effects of child support receipt on self-sufficiency?
4. Do families understand the rules of the child support system?
5. What are the effects of pass-through and disregard policies on child support receipt?
6. What are the effects of welfare reform policies on child support receipt?

¹See Mary Farrell, Asaph Glosser, and Karen Gardiner, *Child Support and TANF Interaction: Literature Review* (Washington, DC: The Lewin Group, 2003).

Data

The report relies on data from five sources, covering both broader and narrower populations and the periods both before and after passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Although the data sources cover a variety of time periods, it is important to remember that they do not represent the most current state of the child support system. The child support enforcement system has changed dramatically over the past decades and has continued to change in recent years.

The Survey of Income and Program Participation (SIPP) 1996-2000

The 1996 SIPP survey follows a nationally representative sample of the noninstitutionalized population for four years, obtaining data on monthly income sources, program participation, benefits, and employment status. Child support modules were administered in waves 5 and 11, or in months 20 and 44.

The Project on Devolution and Urban Change (Urban Change)

Urban Change is a study of the implementation and effects of welfare reform in four urban counties and their major cities — Cleveland, Los Angeles, Miami, and Philadelphia. As part of the evaluation, two surveys were administered to a sample of residents in low-income neighborhoods in 1998/99 and 2001.

Parents' Fair Share (PFS)

PFS was a program designed to help low-income noncustodial parents increase their employment and earnings, increase their child support payments, and become more involved in their children's lives. As part of the evaluation, conducted using a random assignment design, survey data were collected in 1996/1997, or 14 months after program entry, for the custodial parents associated with the fathers in the program.

The Wisconsin Child Support Demonstration Evaluation (CSDE)

In 1997, the state of Wisconsin received a waiver to initiate a change in its child support policy — passing through the entire amount paid to parents and disregarding the entire amount when calculating TANF cash benefits. The CSDE was a random assignment evaluation of this policy change, using both administrative records and survey data following a sample of participants who entered the state's welfare program between September 1997 and July 1998. The sample used here includes families in the treatment group.

Welfare Waiver Evaluations (Jobs First, FTP, MFIP, and WRP)

These data include waiver evaluations from four states — Connecticut’s Jobs First program, Florida’s Family Transition Program (FTP), the Minnesota Family Investment Program (MFIP), and Vermont’s Welfare Restructuring Project (WRP). Each of these programs started in the mid-1990s and was evaluated using a random assignment design. Each evaluation collected administrative records data on welfare receipt and employment and administered surveys three to four years after random assignment. All of the programs included financial incentives, in the form of enhanced earnings disregards relative to the AFDC system, and either a mandate to work or participate in services or a time limit on benefit receipt.

The samples used in this report are restricted to women eligible to receive child support and who had received welfare in the recent past. For examining the child support status of current and former recipients, each data set has both advantages and limitations. Some are more recent than others; some represent very narrow slices of the child support-eligible population; and some rely on survey reports of child support receipt, rather than administrative records data, which are thought to be a more accurate measure of payments. Child support collections are particularly difficult to capture through surveys. Because the government may retain some or all of the collections made on behalf of current and former TANF recipients, families may not know how much child support is being collected on their behalf, only what they receive. Each data source is used according to its relevance for each research question.

In addition, it should be kept in mind that child support outcomes are likely to differ across data sources, given that each source represents a somewhat different segment of the eligible population and a different geographic area. For example, black women and never-married women make up a higher fraction of the PFS and Urban Change samples, compared with the SIPP sample. Black and Hispanic women are less likely to receive support than white women, and never-married women historically have had lower rates of receipt than previously married women. As another example, the CSDE sample may show relatively high rates of receipt, given Wisconsin’s strong child support enforcement system and the fact that this sample was subject to the new pass-through policy.

Key Findings

Child Support Receipt Among Current and Former Welfare Recipients

- **In the nationally representative SIPP sample, 22 percent of current and former recipients received child support payments. Receipt rates depend on area-level factors but also on the characteristics of the particular sample, with the lowest rates of receipt for the more disadvantaged Ur-**

Urban Change sample and the highest rates for the sample in Wisconsin (CSDE). Child support represents up to one-fourth of family income for women who receive it, although it represents less than 10 percent of family income, on average, for all eligible women.

For our samples of current and former welfare recipients, the percent of women who received child support in the month prior to the survey ranged from a low of 9 percent for Urban Change to 22 percent for the SIPP. (Data from the CPS-CSS show that among all eligible mothers in 2001, 41 percent received some support. Among women with orders, 75 percent received support.) Using yearly data, 48 percent of the CSDE sample received payments in the prior year, a rate higher than that found for the CPS-CSS sample, despite the fact that the CSDE sample is restricted to current and recent welfare recipients. The higher rate may be related to the effects of the CSDE treatment, in which mothers receive all child support paid on their behalf, or to Wisconsin's effectiveness in child support enforcement.

Among those with awards, receipt rates were considerably higher, ranging from 21 percent for Urban Change to 46 percent for the SIPP sample. Among women who receive support, receipts can represent a substantial share of family income, ranging from 12 percent in PFS to 25 percent in the SIPP.

- **Women who leave welfare are more likely to receive child support than those who stay on welfare. Among those who receive child support, leavers on average receive higher amounts than stayers, with the result that child support makes up a higher fraction of family income.**

Table S1 presents data on child support receipt by welfare status at the time of the follow-up surveys. In general, those who left welfare reported higher levels of child support receipt than those who were still receiving benefits.² In the SIPP, for example, among women who were still on welfare, 36 percent had orders and 20 percent reported receiving payments. Among those who had left welfare, 49 percent had orders and 28 percent received payments. Among those with orders, women who had left welfare were also more likely to receive payments (50 percent versus 43 percent), although average order amounts were similar. This pattern also holds for the Urban Change sample, but is less pronounced for the PFS sample. Child support also represents a higher fraction of income for women who had left welfare.

The bottom panel presents yearly data for the CSDE sample, based on whether they did or did not receive welfare in 1999. Leavers are more likely than stayers to receive child support (50.5 percent versus 44.7 percent), and they received higher amounts on average. Because these

²Higher amounts for leavers does not necessarily imply that less child support is being paid on behalf of welfare stayers but, rather, that they may be reporting the amount they are receiving through the pass-through.

data are from administrative records, these differences in amounts received are real, rather than a result of women on welfare reporting less than what is being paid on their behalf. Among all women, child support represents about 7 percent to 9 percent of family income, although the fraction is higher for women actually receiving payments.

Former welfare recipients may receive more in child support simply through the “mechanical” effect of receiving more of the collections paid on their behalf. Mothers on welfare, in contrast, will receive only the pass-through amount or, if they live in a state that eliminated the pass-through, no child support. In addition to this mechanical effect, leaving welfare may induce certain behavioral changes as well. Mothers may be more proactive in seeking child support once they no longer have welfare as a source of income. In addition, fathers may be more likely to pay or pay more in child support once mothers leave welfare, knowing that the mothers will now receive all of their payments. Further, it is possible that a programmatic decision to prioritize TANF cases or certain TANF cases would impact child support receipt.

- **Child support outcomes have improved over time for the samples as a whole. More women are receiving payments; more women are receiving high payments; and child support has become a more important income source. The largest changes occurred for the CSDE and Urban Change samples, with modest changes for the SIPP sample. These improvements in child support outcomes were due in part to more women having orders and in part to higher payment rates among women with orders.**

Data from the Current Population Survey Child Support Supplement (CPS-CSS) for all eligible women show large increases in receipt rates over the past decade for never-married women and more modest increases for previously married women. For the samples used in this report, there is also a trend toward improved outcomes over time, with the exception of the SIPP sample, which showed receipt rates of about 22 percent in both month 20 and 44 of the panel (see Table S2). In contrast, receipt rates increased for women in the Urban Change and CSDE samples, from 9 percent to 16 percent and 41 percent to 53 percent, respectively. Average amounts received (among women receiving payments) increased over time for all samples including the SIPP, with the result that child support became a greater fraction of family income.

- **In general, child support outcomes improved more over time for welfare recipients than for those who had left welfare by the first follow-up survey. The increase in receipts for welfare recipients represented a real increase in payments made on their behalf and was not simply an increase in the amount of support received due to the fact that some of them left welfare subsequent to the first survey.**

Figure S1 presents trends over time for the SIPP and Urban Change samples by welfare status. With one exception, all groups experienced an increase in award rates, and those with awards had an increase in payments rates. The changes were largest for the Urban Change sample, perhaps because there was more room for improvement. Average receipts (among those receiving payments) also increased for most groups, with relatively larger increases for those still on welfare as of the first survey. Further analysis from the CSDE indicates that this increase in receipts for those on welfare is due in part to an increase in payments made by noncustodial fathers, and not simply to the fact that mothers began to receive more of the payments on their behalf after they left welfare.

- **Payments are somewhat unreliable from month to month. Among women who were receiving child support early in the PFS and SIPP panels, for example, from 35 percent to 39 percent did not receive payments for more than 5 consecutive months.**

For the SIPP sample, women who received payments at some point during the first year received them for an average of 18.5 months out of the 48-month period. Women in PFS who received payments at some point during the panel received payments for an average of 7.8 months out of the 14-month period. Figure S2a presents one measure of reliability — the length of the first spell of payments among women who received payments in the first several months of the panel.³ The figure shows that a significant share stopped receiving payments within 5 months (39 percent for the SIPP sample and 35 percent for the PFS sample). In general, spell lengths are longer for the PFS sample, which partially reflects the fact that the PFS treatment increased child support payments and the reliability of payments.

- **The yearly data from the CSDE show some long-term reliability and an increase in payments over time. Most women who did receive support received similar or higher amounts over time, although a significant number of women did not receive payments in year 1 or year 5.**

Figure S2b presents a measure of reliability over a 5-year period. The figure shows child support status in year 5 by status in year 1. For example, among women who did not receive payments in year 1 (59.2 percent of the sample), over 60 percent also did not receive payments in year 5. The most stable situation is among women who received amounts over \$4800 in year 1, given that more than 50 percent of them also received this high amount in year 5. However, this group represents less than 3 percent of the full sample. Looking at the intermediate groups shows that the majority in each group received an equal or higher amount in year 5

³For PFS, monthly payment status is based on administrative records data, and a stop in payments is defined as at least two consecutive months of nonpayment. For SIPP, a stop in payment is defined as just one month of nonpayment.

compared with year 1. Among those receiving \$1 to \$2400 in year 1, for example, more than 70 percent were receiving that amount or more in year 5.

- **Several demographic characteristics of custodial mothers are associated with the likelihood of receiving child support, such as education level, race/ethnicity, and marital status. Some factors, such as education and marital status, increase the likelihood of receiving support partly through their effect on the likelihood that women have orders in place.**

The results from the full report (not shown here) suggest that current welfare receipt is associated with a reduced likelihood of having an order in place and of receiving payments, although women with a longer history of welfare receipt are more likely to receive support than those who are relatively new to the welfare system. Black and Hispanic women are less likely than their white counterparts to have child support orders, are less likely to receive child support, and receive lower amounts. Less educated women are also less likely to receive support, in part because they are also less likely to have awards in place. Marital status also has a strong relationship with child support outcomes — previously married (divorced) women are more likely than married women to receive child support, although some of this effect may operate through their greater likelihood of having orders in place. Finally, the PFS data show that black women are less likely than white women to receive formal child support but are more likely to receive informal support.

Patterns of Child Support Receipt During the Transition from Welfare to Self-Sufficiency

- **The SIPP data show that overall rates of child support receipt remain relatively steady as women transition off welfare, although there is a drop in receipt rates after the welfare exit among women receiving child support in the months prior to exiting welfare. This drop is offset by an increase in receipt rates among women who did not receive child support prior to exiting welfare.**

For the full sample of women who left welfare during the panel, there is a small increase in receipt rates after exit, from 29 percent in the few months surrounding exit to 33 percent in the 5 to 10 months after exit (not shown). This overall rate reflects quite different patterns for women based on their receipt status prior to exit. Figure S3 presents receipt rates for women who did and did not receive child support in the wave before exit.⁴ For women receiv-

⁴Results are presented by “wave” of exit (each wave representing a four-month period), rather than month of exit, to avoid problems associated with seam bias.

ing child support before exit, there is a substantial drop in receipt rates during the wave of exit, to 72 percent, and receipt rates decline slightly in the subsequent two waves. The opposite pattern holds for women who did not receive child support in the wave prior to exit — about 10 percent are receiving child support in the wave of exit and 17 percent by two waves after exit. These changes in receipt rates for both groups may simply reflect the instability of payments over time. However, some women may also experience a decrease in child support because of the reason they left welfare, for example if they left because of marriage to or cohabitation with the father or if their children aged out of eligibility for welfare and child support. Part of the increase for women not previously receiving child support may be due to the fact that under PRWORA many states stopped passing child support to TANF recipients. In this case, women would experience an increase in receipt rates once they left welfare, since they would begin receiving payments made on their behalf.

The Effects of Child Support Receipt on Self-Sufficiency

- **Across most samples, child support receipt has little effect on employment status. The effects on welfare status are more mixed and suggest that if any effects do exist, they may be short lived. These results may be due to the fact that the changes we observe in our data in child support amounts are not large enough to generate effects on these measures of self-sufficiency. It might be the case that child support can act as a support for leaving welfare, if the amount received is large enough.**

Table S3 presents the effects of child support receipt on work and welfare status for the SIPP, Urban Change, and CSDE samples. Each number under the columns labeled “coefficient” represents a separate regression model and is the effect of child support receipt on the outcome given in the leftmost column. The first column of coefficients shows the effect of child support when it is entered directly into the regression model. The second column presents the results from an instrumental variables approach. In this case, child support is instrumented, or predicted, using state child support enforcement variables.⁵

For the SIPP sample, the noninstrumented models show that child support receipt increases the likelihood of leaving welfare, reduces the likelihood of returning, and has no significant effect on the likelihood of working. In the instrumented models, child support continues to increase the likelihood of leaving welfare and now has a statistically significant effect on work.

⁵The idea behind the instrumental variables approach is to rid the child support variable of its correlation with self-sufficiency outcomes that are due not to a real causal effect but due to their mutual correlation with other unobserved factors. Since the child support enforcement variables should be correlated with the self-sufficiency outcomes only through their effect on child support receipt, predicted child support receipt should not suffer from this “endogeneity bias.”

The Urban Change data show that the receipt of child support in wave 1 increases the likelihood of welfare receipt at wave 2 and has no effect on work. In this case, only the noninstrumented effects are available, since there is not enough variation in state policies to predict child support (recall that the Urban Change sample covers four states). The final panel presents results from the CSDE data. Since the CSDE treatment was found to increase child support payments, child support receipt is instrumented in this case using the variable indicating experimental, or treatment, status. The first set of columns show that child support receipt in year 1 reduces the amount of cash benefits received in year 2. However, the instrumented coefficient is substantially smaller and statistically insignificant.

Experimental Findings

CSDE and PFS were two experiments designed to increase child support payments and receipts, and results from both evaluations show that they achieved this goal. Both evaluations also examined each program's effects on other outcomes, including mothers' welfare receipt and employment. If child support has a true effect on work and welfare outcomes, then the program itself, through its effect on child support, should affect the work and welfare status of women in the evaluation.

In general, both evaluations found few lasting effects on these secondary outcomes (not shown). In CSDE, for example, mothers in the treatment group received fewer welfare benefits than those in the control group, although this effect did not persist beyond the first year. There were few effects on mothers' employment and earnings. Results for PFS were similar, showing little effect on mother's employment rates or welfare receipt rates, even for subgroups that showed relatively larger increases in child support receipt.

Parents' Knowledge of Child Support Rules

- **National data from the SIPP (not shown) suggest that most women are not aware of the amount of child support collected on their behalf and are likely to understate that amount.**
- **The majority of women in PFS who were receiving welfare reported that they received an amount of child support that was equal to or less than the pass-through amount, even while payments being made on their behalf were higher. However, nearly one-third of welfare recipients reported receiving amounts higher than the disregard, suggesting that at least some of them were reporting amounts paid on their behalf.**

The top panel of Table S4 presents data from PFS on reported receipt of child support from the survey, compared with amounts paid according to CSE administrative records data.

The survey and records data are likely to differ for women receiving welfare, since, at the time of the demonstration, most states, and all but one PFS site, only passed through the first \$50 in payments made on their behalf.⁶ For these women, a difference in amounts does not necessarily indicate a lack of understanding of how much support was being paid on their behalf.

As expected, reported amounts received from the survey generally match records data reporting of what was paid more closely for women not on welfare at the time of the survey. Among women on welfare, 50 percent had a difference between the two sources of \$100 or more. Among women on welfare, 69 percent reported receiving the disregard amount or less. Thus, even in sites with a \$50 pass-through, one-third of women on welfare reported more than the pass-through amount. It is possible that these women were including informal payments in reported amounts or that there was considerable reporting error. On the other hand, it is also possible that these women were more aware of payments being made on their behalf and reported that amount on the survey.

- **There is a fairly low level of knowledge of distribution rules in Wisconsin, among both fathers and mothers, but particularly among fathers. Fewer than half of the mothers and only about a quarter to a third of fathers responded correctly to questions about the pass-through rules. Status in the welfare system and actual child support experience seem more important predictors of knowledge than demographic characteristics.**

The bottom panel of Table S4 presents data from the CSDE on parents' knowledge of specific child support rules. In particular, two questions were asked of both mothers and fathers about the treatment of payments while the custodial mothers were on or off welfare. The correct answer to the first question, about whether the child's mother would receive all support if she were receiving benefits, depends on the mother's random assignment. The analysis is conducted for the full sample, by treatment group and by AFDC history. Those with a long history of AFDC receipt were more likely to have been exposed to the prior policy regime (the AFDC \$50 pass-through and disregard, or partial pass-through) and thus may not have absorbed the new rules of the W-2 full pass-through and disregard (that is, all current support paid in a month).

The answers to the two questions indicate that mothers did not have a very clear understanding of the rules. At most, a little more than half knew the right answer to either question, and almost a third indicated they did not know (not shown). For the treatment group, less than one-quarter understood how their receipt of child support would be affected by the new policy

⁶The exception to this rule is Tennessee, which had a fill-the-gap policy, meaning that the amount passed through and disregarded could be more than \$50.

being applied to them. Fathers' knowledge levels are lower than mothers' levels. In general, there are no large differences between the long-term AFDC group and other fathers.

The report also examined the correlates of parents' knowledge of the rules (not shown here). Few demographic characteristics were found to predict correct responses to these questions, among both mothers and fathers. More accurate knowledge seems most consistently related to whether child support has been paid on a mother's behalf since she entered W-2. This suggests that policy knowledge may follow from direct experience — mothers know more when they see how the system treats child support paid on their behalf. Fewer factors help explain fathers' knowledge.

The Effects of Pass-Through and Distribution Policies on Child Support Outcomes

- **More generous pass-through and disregard policies can lead to an increase in the number of fathers making payments, an increase in the number of mothers receiving payments, and an increase in the average payments mothers receive. These policies also have some short-term effects on paternity establishment, through a speeding up of the process.**

Table S5 presents a summary of findings from the experimental CSDE evaluation.⁷ The CSDE evaluated the effects of a full pass-through and disregard of child support payments, compared with a policy that passed through \$50 or 41 percent of payments, whichever was larger. Thus, the CSDE evaluates the effects of moving from a somewhat generous pass-through policy to a full, or even more generous, pass-through policy. The first row shows that the pass-through policy led to an increase in payments by noncustodial fathers and an increase in the average amount paid, although the latter effect was statistically significant only in the second year.

The pass-through policy also increased the receipt of child support and the average amount received by mothers. Note that the latter effect is to be expected in part due to a “mechanical” effect of simply passing through more support to mothers who are receiving cash welfare, rather than to a “behavioral” effect of fathers paying more. The increase in payments by fathers, however, indicates that the increase in receipts by mothers was not due entirely to this “mechanical” effect. Finally, the pass-through policy increased the rate of paternity establishment, but only in the first year. The effects on paternity establishment are also fairly modest in size, compared with the effect on payment and receipt rates.

⁷See Daniel Meyer and Maria Cancian, *W-2 Child Support Demonstration Evaluation: Phase I: Final Report* and *W-2 Child Support Demonstration Evaluation: Report on Nonexperimental Analyses* (Madison: University of Wisconsin, Institute for Research on Poverty, 2001, 2002).

The report also includes information from two nonexperimental studies of the effects of more generous pass-through policies. The findings tend to confirm the findings from the CSDE, indicating that more generous state distribution policies increase rates of collections, receipts, and paternity establishment.

The Effects of Welfare Reforms

- **In two programs with welfare time limits, welfare receipt was reduced and child support receipt increased, while in one program with financial incentives and work mandates, welfare receipt was increased and child support receipt reduced. The impacts on child support receipt tend to be linked with the impacts on welfare receipt. There were no discernable effects on child support from the changes in pass-through policies that were part of two of the demonstrations.**

The report examines the effects of four waiver demonstrations on welfare and child support receipt. The four programs include Connecticut's Jobs First program, Florida's Family Transition Program (FTP), Minnesota's Family Investment Program (MFIP), and Vermont's Welfare Restructuring Project (WRP). All programs included financial incentives, and almost all included some type of work or participation mandate. Two programs (Jobs First and FTP) included time limits on the receipt of benefits, while two (Jobs First and WRP) included changes to the child support distribution rules that attempted to make the payments more visible and to give both parents a greater stake in how much is paid.

Figure S4a presents impacts (or differences between the treatment and control groups) in rates of welfare receipt and child support receipt, measured at the time of the follow-up surveys, or three to four years after program entry. FTP and Jobs First led to statistically significant reductions in welfare receipt, which is expected, given that they include time limits. MFIP, on the other hand, increased the rate of welfare receipt. This result is also expected, given the program's more generous incentives that allowed families to work and still remain eligible for some benefits. With the exception of WRP, programs that reduced welfare receipt (FTP and Jobs First) led to increases in child support receipt, while those that increased welfare receipt (MFIP) led to reductions in the rate of child support receipt. WRP reduced welfare receipt, although the effect is not statistically significant and had little effect on child support receipt. The fact that child support receipt rates were already relatively high in Vermont (41 percent of the control group received payments) may help explain the lack of impacts in this program.

In general, there were no consistent effects for particular subgroups across programs. Jobs First, for example, had little effect on child support receipt for black women, while FTP led to a relatively large increase in child support. Both programs, in contrast, reduced welfare receipt for this group.

- **Women who left welfare because of a time limit in FTP were more likely to receive child support, possibly a result of more attention paid by caseworkers at the point of welfare exit.**

Figure S4b presents rates of child support receipt for three groups of women who left welfare during the follow-up period — those in the treatment group who left because of reaching their time limit, those in the program group who left before reaching their time limit, and those in the control group. In FTP, women who left because of a time limit were more likely than the other two groups to receive child support. The group with the lowest rate was control group leavers. A similar pattern was shown in the final report for the FTP evaluation, in which time-limit leavers were more likely to receive other transfers, such as food stamps.⁸ The authors attributed the difference in part to the exit interviews given to women reaching their time limits, in which eligibility for nonwelfare benefits was assessed. In contrast, receipt rates are very similar for the three groups in Jobs First.

Although exit interviews were also given to women approaching time limits in Jobs First, a key difference between Jobs First and FTP was the way in which the time limit was implemented. Under Jobs First, many recipients who reached their time limit without jobs or with very low earnings were given six-month extensions. Thus, the time-limit leaver group in Jobs First comprised women with higher average earnings than the other two groups, which may have reduced the need to pursue child support.

Conclusion

This study has examined a number of research questions using a variety of data sources. Overall, the findings demonstrate the importance of examining multiple data sources when documenting trends in outcomes and assessing the effects of particular policies. Data using individual states (for example, Wisconsin,) and subsets of the child support population (UC, PFS) often show differences in degree and kind from the overall national trends (SIPP). Nonetheless, the findings do suggest the following broad conclusions.

Child support distribution policy makes a difference.

Families receive more of the child support collected on their behalf when there is a partial or full pass-through and when they leave TANF. Despite the low levels of knowledge about

⁸Dan Bloom, James Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, and Richard Hendra, *The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program* (New York: MDRC, 2000).

distribution rules, more generous pass-through and distribution policies do increase payment rates by fathers and receipt rates by mothers.

Child support is a significant source of income.

When families receive child support, it is an important contributor to their overall income, and it generally takes on more importance in the family budget after women leave welfare. There is evidence from the waiver evaluations that women rely on child support as another income source when they leave welfare. However, too few families receive child support, and it can be a fairly unreliable source of income, at least on a monthly basis. Receipt rates and award rates are lower in general for current and former recipients than for all eligible women, although the rates have been increasing over time.

Child support can strengthen family self-sufficiency.

In the national sample, child support receipt increased the likelihood of leaving welfare and reduced the likelihood of returning. However, experimental data from Wisconsin suggest that the effects appear to be short lived. Consistent work effects were not identified. The unreliable nature of the payments may be one of the reasons why child support was not found to have consistent effects on women's work and welfare. A caveat to this finding is that the changes in support observed in our data are fairly small. It may be the case that support can encourage women to leave welfare if the amounts are large enough.

Parents do not understand child support distribution rules, nor do they know when the rules have changed.

Another reason for the lack of strong effects of child support on welfare use may be that many parents do not understand how much child support they would receive once they left welfare. Results from the SIPP suggest that, nationwide, mothers who are receiving welfare do not know how their child support collections are distributed. In Wisconsin, a significant fraction of custodial and noncustodial parents did not understand the child support distribution rules. Experience in the child support system is associated with higher knowledge levels, but even these parents have fairly low levels of knowledge. Low knowledge levels were found for those who experienced a change in policy, moving from the partial pass-through under AFDC to the full pass-through under W-2. Since behavioral changes are contingent on understanding distribution policy, educating both parents is an important part of distribution policy changes.

Child support payments may create financial incentive for quicker establishment of paternity.

Results from Wisconsin suggest that more generous pass-through and disregard policies increased the speed of paternity establishment. By speeding up paternity establishment (for example, by creating interest early on among CSE staff and/or clients, focusing on TANF cases, or employing other early intervention strategies), child support outcomes might also be improved.

Table S1
Child Support Receipt, by Welfare Status

| A. Monthly Data | SIPP - Month 20 | | UC - Wave 1 | | PFS - Month 14 | |
|---|-----------------|-------------|-------------|-------------|----------------|-------------|
| | 1997/98 | | 1998/99 | | 1996/97 | |
| | On Welfare | Off Welfare | On Welfare | Off Welfare | On Welfare | Off Welfare |
| <u>All</u> | | | | | | |
| With agreement or order (%) | 36.1 | 48.6 | 25.8 | 33.9 | N/A | N/A |
| Received child support (%) | 19.5 | 27.8 | 7.5 | 15.5 | N/A | N/A |
| <u>Among those with orders</u> | | | | | | |
| Received child support (%) | 43.3 | 49.5 | 18.5 | 29.1 | 32.9 | 34.2 |
| Average order amount (\$) | 282 | 288 | N/A | N/A | 201 | 237 |
| <u>Among those receiving payments (\$)</u> | | | | | | |
| Average payment (\$) | 125 | 270 | 145 | 257 | 114 | 194 |
| Monthly payment as fraction of family income (%) | 14.3 | 34.1 | 11.9 | 20.8 | 9.7 | 16.1 |
| B. Yearly Data, from the CSDE 1999 | | | | | | |
| | On Welfare | Off Welfare | | | | |
| <u>All</u> | | | | | | |
| Received child support (%) | 44.7 | 50.5 | | | | |
| Income sources (%) | | | | | | |
| Child support | 6.9 | 9.4 | | | | |
| Mothers' earnings | 33.2 | 78.1 | | | | |
| Food stamps | 25.9 | 12.5 | | | | |
| W-2 | 34.0 | N/A | | | | |
| <u>Among those receiving child support</u> | | | | | | |
| Average amount received (%) | | | | | | |
| \$1-1200 | 53.0 | 44.3 | | | | |
| \$1201-2400 | 22.5 | 23.0 | | | | |
| \$2401-3600 | 12.5 | 13.1 | | | | |
| \$3601-4800 | 6.0 | 8.7 | | | | |
| \$4800 + | 6.0 | 10.9 | | | | |

Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients. UC: Urban Change, covering current and former welfare recipients in four large cities. PFS: Parents' Fair Share, covering custodial parents in seven urban areas, with child support orders and associated with the men in the demonstration. CSDE: Child Support Demonstration Evaluation in Wisconsin, covering W-2 participants who entered the program in 1997/1998.

Table S2
Trends Over Time in Child Support Receipt

| | SIPP | | UC | | |
|---|---------------------|-----------------------|-------------------|----------------|------|
| | Month 20 1997/98 | Month 44 1999/2000 | Wave 1 1998/99 | Wave 2 2001 | |
| <u>All</u> | | | | | |
| With agreement or order in survey month (%) | 38.7 | 43.8 | 27.0 | 33.4 | |
| Received child support (%) | 22.3 | 21.9 | 8.9 | 15.5 | |
| <u>Among those with agreements or orders</u> | | | | | |
| Receiving child support (%) | 48.8 | 47.9 | 20.6 | 37.8 | |
| Average order amount (\$) | 288 | 277 | N/A | N/A | |
| <u>Among those receiving payments (\$)</u> | | | | | |
| Average payment | 181 | 203 | 177 | 249 | |
| Monthly payment as percentage of family income (%) | 20.8 | 24.6 | 14.5 | 22.2 | |
| <hr/> | | | | | |
| | | | CSDE | | |
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| Receiving child support (%) | 40.8 | 48 | 53.2 | 52.4 | 52.6 |
| <u>Average payments, among those receiving child support (%)</u> | | | | | |
| \$1-1200 | 51.5 | 47.9 | 47.9 | 45.4 | 43.9 |
| \$1201-2400 | 22.8 | 22.9 | 20.5 | 21.8 | 21.7 |
| \$2401-3600 | 12.0 | 12.9 | 13.9 | 13.4 | 14.4 |
| \$3601-4800 | 7.1 | 7.5 | 7.1 | 8.6 | 8.6 |
| \$4800 + | 7.1 | 9.0 | 10.5 | 10.9 | 11.4 |
| Monthly payment as percentage of family income (%) | 15.2 | 17.3 | 18.0 | 18.9 | 19.6 |

Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients. UC: Urban Change, covering current and former welfare recipients in four large cities. CSDE: Child Support Demonstration Evaluation in Wisconsin, covering W-2 participants who entered the program in 1997/1998.

Table S3
Effects of Child Support Receipt on Self-Sufficiency

| | Child Support Not Instrumented | | Instrumented ^a | |
|---|--------------------------------|---------|---------------------------|---------|
| | Coefficient | P-Value | Coefficient | P-Value |
| <u>SIPP outcomes</u> | | | | |
| Left welfare within 6 months, among women on welfare in month 20 | 0.499 *** | 0.000 | 1.523 *** | 0.000 |
| Returned to welfare with 6 months, among women not on in month 20 | -0.288 * | 0.064 | 0.052 | 0.958 |
| Employed within 6 months, among women not on welfare in month 20 | 0.126 | 0.223 | 1.343 *** | 0.000 |
| <u>UC outcomes</u> | | | | |
| Employed at wave 2 | -0.076 | 0.596 | N/A | N/A |
| Receiving welfare at wave 2 | 0.321 ** | 0.039 | N/A | N/A |
| <u>CSDE outcomes</u> | | | | |
| Amount of cash benefits in year 2 | -0.047 * | 0.060 | -0.013 | 0.956 |

Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients. UC: Urban Change, covering current and former welfare recipients in four large cities. CSDE: Child Support Demonstration Evaluation in Wisconsin, covering W-2 participants who entered the program in 1997/1998.

Notes: Each coefficient represents a separate model and shows the effects of child support receipt on the outcome listed. For the SIPP and UC models, child support is included as the receipt of any support in month 20 (for the SIPP) and at wave 1 (for UC). For the CSDE model, child support is included as the amount received in year 1. Statistical significance levels are indicated as *** = 1%; ** = 5%; and * = 10%.

^a Instrumented for the SIPP using state policy variables and for the CSDE using treatment group status.

Table S4
Knowledge and Reporting of Child Support Amounts and Rules

| A. PFS | On Welfare | Off Welfare |
|--|------------|-------------|
| <u>Among those for whom the survey and records indicated the receipt of child support</u> | | |
| Average amount received, from survey (\$) | 113 | 189 |
| Average amount paid, from records data (\$) | 201 | 259 |
| Difference between survey and records \$100 or more (%) | 50.0 | 34.4 |
| Among those reporting pass-through amount or less (69% of sample) | | |
| Average difference between records and survey (\$) | 137 | |
| Average amount reported on records (\$) | 189 | |
| Among those reporting more than pass-through amount (31% of sample) | | |
| Average difference between records and survey (\$) | 54 | |
| Average amount reported on records (\$) | 230 | |
| <hr/> | | |
| B. CSDE | Mothers | Fathers |
| Percent responding correctly to the following questions: | | |
| <u>"If you (child's mother) were receiving a check from W-2, would you (child's mother) receive all of the CURRENT child support child's father (you) paid or would the state keep some of it?"</u> | | |
| All | 41 | 27 |
| Experimental | 26 | 18 |
| Control | 56 | 36 |
| Long-term AFDC | 42 | 28 |
| | | |
| <u>"If you (child's mother) were NOT receiving a check from W-2, would you (child's mother) receive all of the CURRENT child support child's father (you) paid or would the state keep some of it?"</u> | | |
| All | 49 | 26 |
| Experimental | 50 | 27 |
| Control | 48 | 24 |
| Long-term AFDC | 47 | 22 |

Source: PFS: Parents' Fair Share, covering custodial parents in seven urban areas, with child support orders and associated with the men in the demonstration. CSDE: Survey of Wisconsin Works Families Wave 2 (1999).

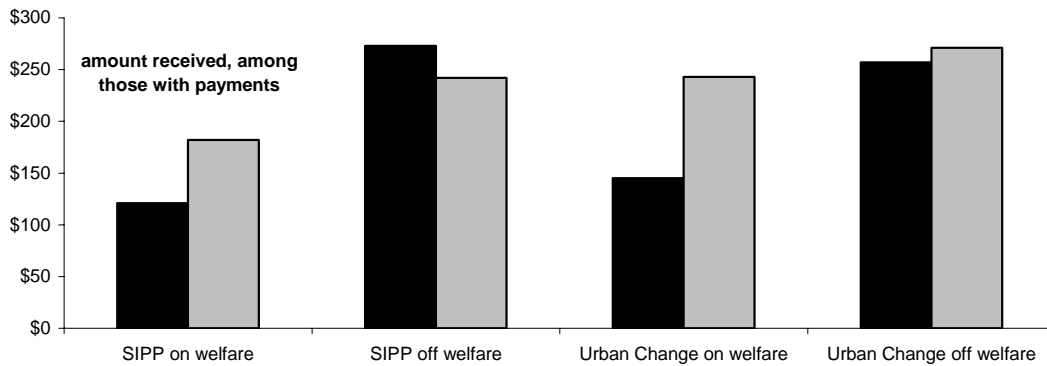
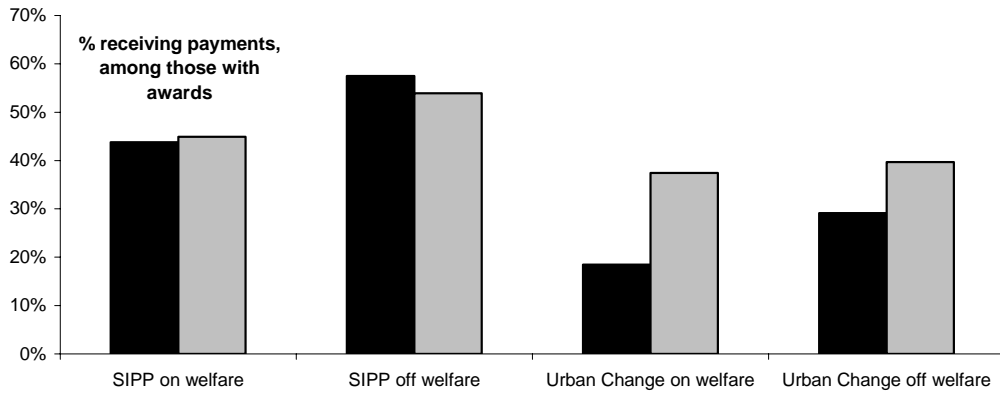
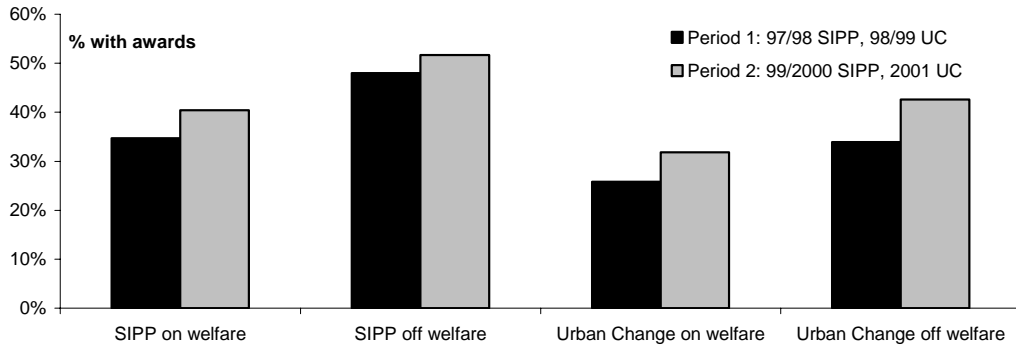
Table S5
The Effects of Pass-Through and Disregard Policies: CSDE

| | | |
|----------------------------------|--|-------------|
| Treatment: | Experimental group received 100% pass-through, control group received the greater of \$50 or 41% | |
| Outcomes: | | Effects: |
| Any child support paid | | + |
| Any child support received | | + |
| Amount of child support paid | | + |
| | | (1999 only) |
| Amount of child support received | | + |
| Paternity establishment | | + |
| | | (1998 only) |

Source: Reproduced from Meyer and Cancian (2002) Table 2.

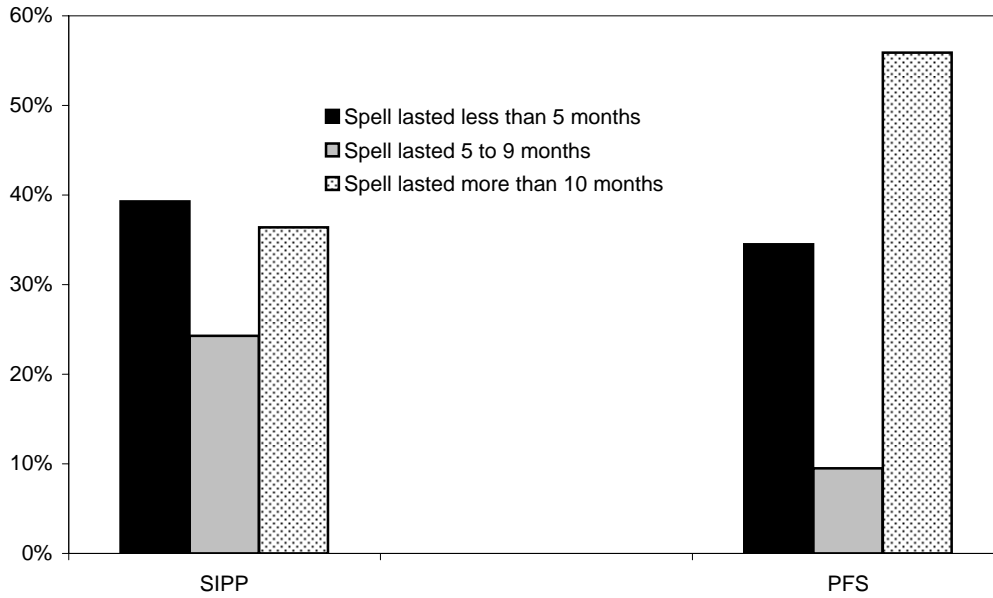
Notes: + indicates that the disregard/pass-through was associated with a positive and statistically significant effect on the outcome.

**Figure S1: Trends in Child Support Over Time, by Welfare Status in Period 1
SIPP and Urban Change**

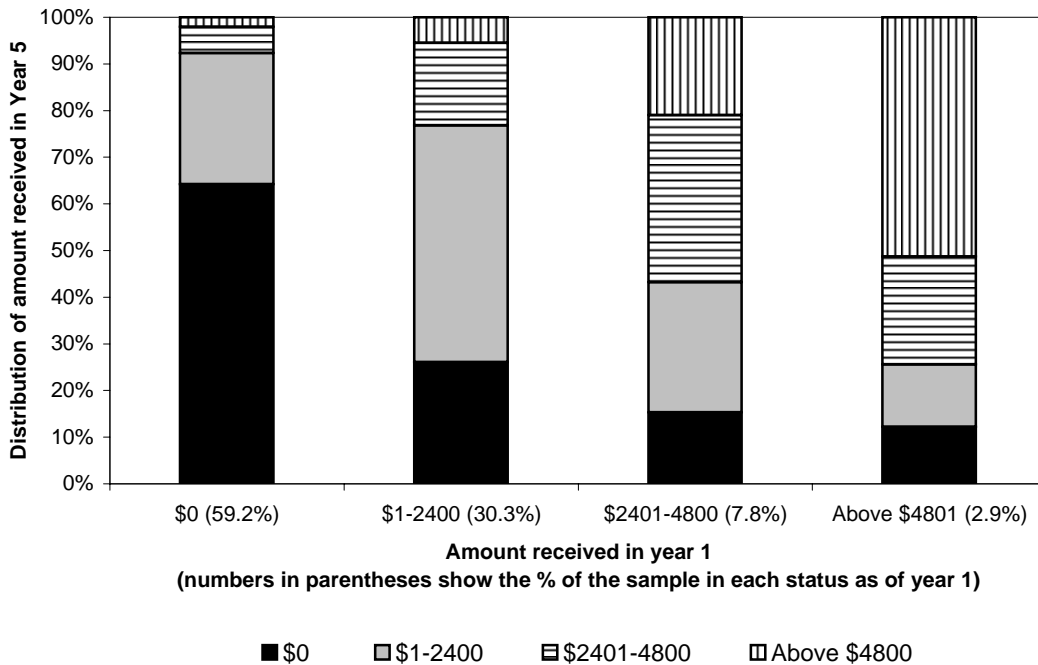


Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients. UC: Urban Change, covering current and former welfare recipients in four large cities.

**Figure S2a: The Length of First Observed Spell of Child Support Receipt
SIPP and PFS**

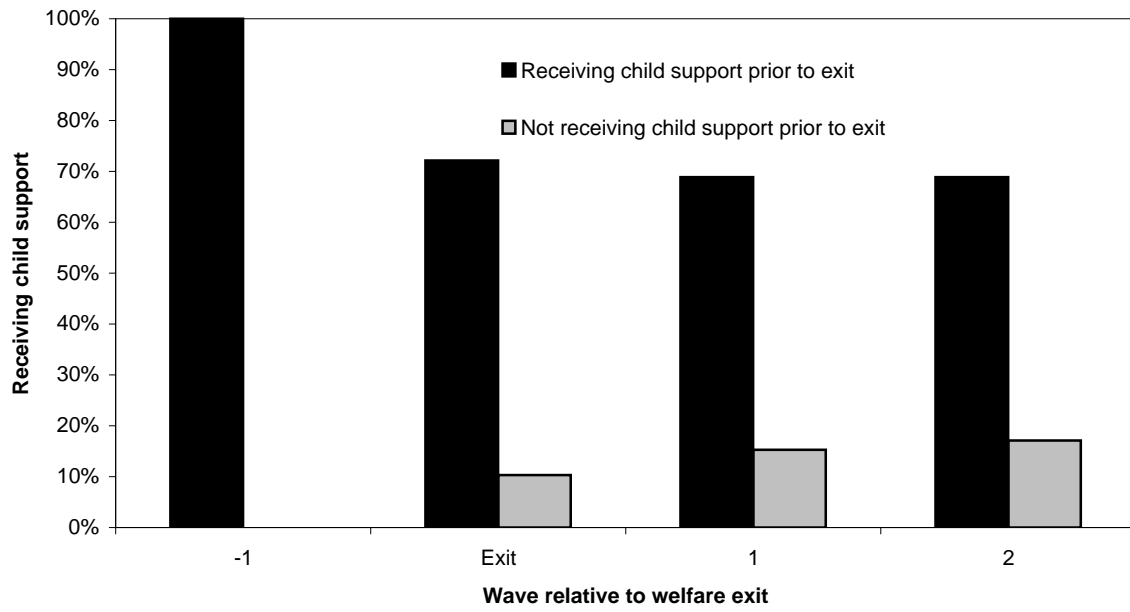


**Figure S2b: Transitions in Status Between Year 1 and Year 5
CSDE**



Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients. PFS: Parents' Fair Share, covering custodial parents in seven urban areas, with child support orders and associated with the men in the demonstration. CSDE: Child Support Demonstration Evaluation in Wisconsin, covering W-2 participants who entered the program in 1997/1998.

**Figure S3: Child Support Receipt Around the Welfare Exit
SIPP**



Source: SIPP: Survey of Income and Program Participation 1996 panel, covering a nationally representative sample of current and ex-welfare recipients.

Figure S4a: Effects of Welfare Reforms on Welfare Receipt and Child Support Receipt

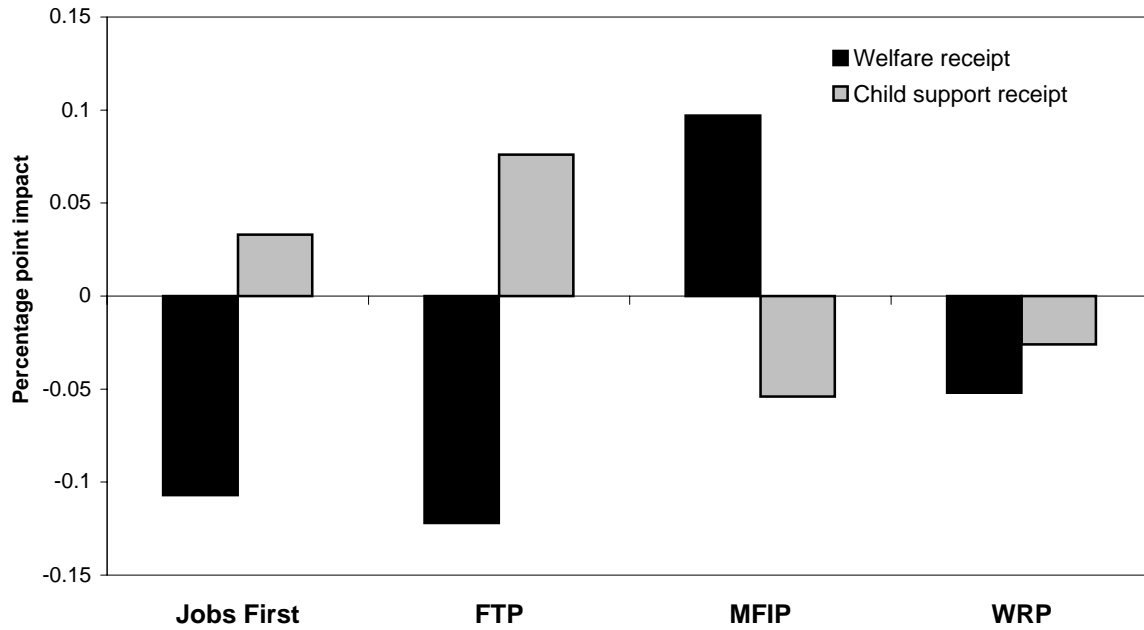
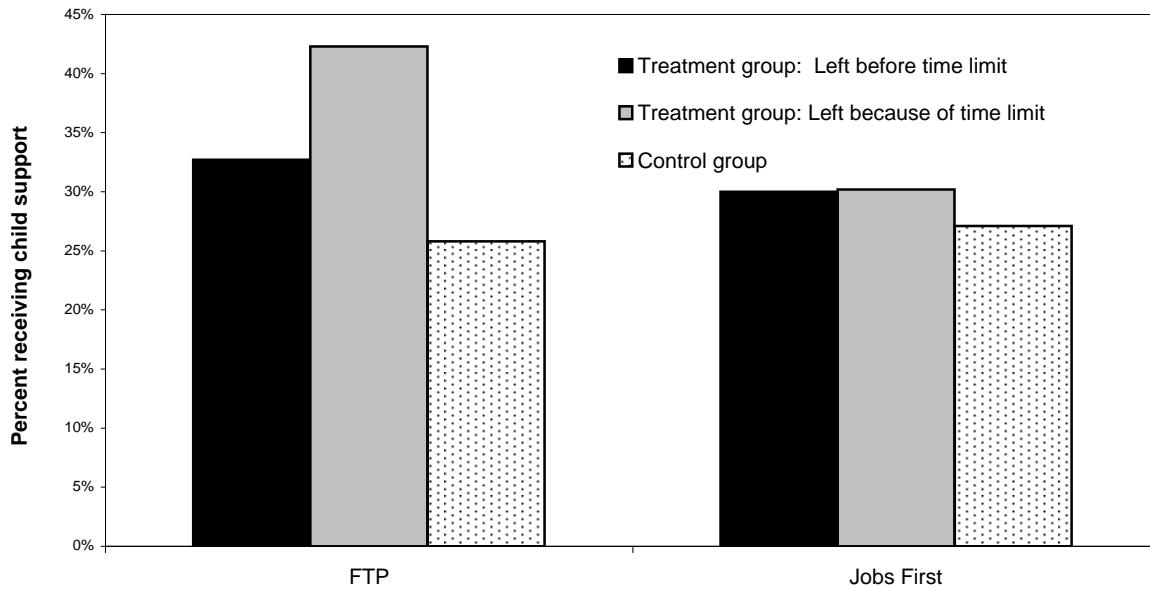


Figure S4b: Child Support Receipt Among Welfare Leavers



Source: Survey and baseline data from four welfare waiver evaluations: Connecticut's Jobs First program, Florida's Family Transition Program (FTP), the Minnesota Family Investment Program (MFIP), and Vermont's Welfare Restructuring Project (WRP).

Notes: Child support and welfare receipt are measured at the time of the follow-up surveys. All impacts in the top figure are statistically significant ($p < .10$) with the exception of the impacts for WRP.