

among various age groups, as indicated in the following tabulation. Relatively more beneficiaries aged 60 and over used direct deposit than those under age 60. Beneficiaries aged 65-71 and those aged 72 and over used direct deposit most often (28 percent and 25 percent, respectively). Only 12 percent of those under age 22 were direct depositors.

Age, race, and sex	OASDI beneficiaries using direct deposit	
	Number	Percent
Age:		
21 and under	538,325	11.9
22-59	580,674	16.7
60-64	947,989	23.6
65-71	2,780,570	27.5
72 and over	3,099,867	24.9
Race:		
White	7,582,828	24.8
Black	302,350	8.6
Other	62,247	11.8
Sex (adult beneficiaries):		
Men	2,985,137	24.9
Women	4,377,047	24.8

The direct-deposit option was chosen by a considerably higher proportion of white beneficiaries (25 percent) than of black beneficiaries (9 percent) and of those of other minority races (12 percent). About equal proportions of men and women beneficiaries used direct deposit.

Amount of Monthly Benefits Deposited

In December 1978, social security cash benefits payable to beneficiaries using direct deposit amounted to \$2 billion or 26 percent of all benefits payable, as table 1 shows. This proportion was somewhat higher than that for the number of beneficiaries using direct deposit (23 percent). Monthly benefit amounts thus averaged higher for direct depositors. Among retired workers, the average monthly benefit amount was \$282.26 for users of the direct deposit procedure, compared with \$256.30 for nonusers. For disabled workers the corresponding average amounts were \$308.49 and \$282.94, respectively. Comparable differences were found among the other benefit categories.

State Variations

The proportion of beneficiaries using direct deposit ranged from 12 percent in Louisiana to 40 percent in Florida (table 2). The percentages of direct depositors were, in general, highest in the Mountain, Pacific, and West North central States and lowest in the Southern States except Florida. In eight States—Arizona, Washington, Oregon, Idaho, Kansas, Montana, Utah, and Wyoming—from 33 percent to 39 percent used direct deposit. In eight other States, 14-17 percent of the beneficiaries chose the direct-deposit option—North Carolina, South Carolina, Ken-

tucky, Tennessee, West Virginia, Alabama, Georgia and Virginia.²

In almost all the States, the percentages of black beneficiaries and of those of other minority races who used direct deposit were considerably below that for white beneficiaries. In five States, less than 5 percent of the black beneficiaries chose the option—Louisiana, South Carolina, Alabama, Arkansas, and Mississippi. The percentages of white direct-depositor beneficiaries in these States ranged from 15 percent in Louisiana to 24 percent in Mississippi. In five additional States—Alaska, Oklahoma, New Mexico, North Dakota, and Arizona—7 percent or less of the beneficiaries of minority races other than black chose direct deposit. The proportion of white beneficiaries in these States who used the direct deposit procedure ranged from 23 percent in North Dakota to 41 percent in Arizona.

In all States, average benefits were higher for retired workers who chose direct deposit than for those who did not choose the option (table 3). The disparity between the benefit amounts was largest in the Southern States. In 13 of the 16 Southern States, the average benefit for retired workers who did not use direct deposit was less than 90 percent of the average amount for those who did choose the option. The disparity was this great in only one of the other 34 States—New Mexico.

² For information about the use of direct deposit in specific metropolitan areas, see Barbara A. Lingg, *Social Security Beneficiaries in Metropolitan Areas, 1978*, Office of Research and Statistics, Social Security Administration, 1980.

Child Support Enforcement Program*

The child support enforcement (CSE) program was established in 1975 by the Secretary as directed in title IV-D of the Social Security Act. The program collects money on behalf of families to compensate the Federal, State, and local governments for payments made under the aid to families with dependent children (AFDC) program by seeking remuneration from absent parents according to their ability to pay.

Applicants to the AFDC program, directed by the Office of Family Assistance of the Social Security Administration, are required to assign support rights to the State, empowering it to seek to establish paternity, when necessary, and to act as a collection vehicle for funds obtained from absent parents. The applicant must also help as much as possible in identifying the absent parent except when there is "good

* Prepared by Kurt Beron. Based on unpublished data from the 1977 AFDC Study and from the 1975 and 1973 studies made by the Office of Research and Statistics, Social Security Administration. Dennis Coriveau, Acting Chief of the Planning and Evaluation Branch, Office of Child Support Enforcement, provided invaluable assistance, and Patrovia Grandy also helped in the preparation of the note.

cause" not to. The CSE program also is empowered to aid in the collection of child-support payments for persons not receiving AFDC benefits but who request the service.

The Office of Research and Statistics conducts biennially a nationwide sample survey of the AFDC caseload. The most recent survey covered the study month of March 1977 and included questions relating to the CSE program. Before enactment of title IV-D the survey questionnaires did not focus on child support. Portions of the 1973 and 1975 surveys are relevant to the program and provide useful comparison data, however.

Approximately 7,835,800 children in 3,523,300 families were receiving AFDC payments in 1977 (table 1). The corresponding figures in 1975 were 8,120,700 recipient children and 3,419,700 families; in 1973, 6,396,400 children and 2,989,000 families were receiving AFDC payments. In 1977 the majority (85 percent) of these children were eligible because their father was absent from the home. The mother's absence accounted for the child's eligibility in less than 2 percent of the eligible cases (table 1).

The major reasons for the father's absence were the non-married status of the child's parent (34 percent), nonlegal separation (22 percent), or divorce (21 percent). The first and third of these reasons have increased in importance since 1975; divorce as a factor has risen steadily since 1973. All these reasons have contributed to the continually rising significance of the father's absence as a determinant of AFDC eligibility—up more than four percentage points since 1973. In particular, the large proportion of fathers absent because they are not married to the child's mother or are nonlegally separated from her points to the wide range of circumstances that require establishing a child support obligation.

¹"Good cause" refers generally to the situation that exists when documented evidence shows that the pursuit of the absent parent might cause physical and/or psychological damage to either the parent in the home or the child.

Table 1.—Number and percentage distribution of AFDC recipient children, by reason deprived of support or care from parent, 1973–77

Reason for eligibility	1977	1975	1973
Total number.....	7,835,803	8,120,732	6,396,439
Total percent.....	100.0	100.0	100.0
Father: ¹			
Deceased.....	2.6	3.7	4.0
Physically or mentally incapacitated.....	5.9	7.7	10.2
Unemployed.....	5.1	3.7	4.1
Absent:			
In Armed Forces.....	.2	.3	.2
Parents divorced.....	21.4	19.4	17.7
Parents legally separated.....	3.2	3.6	4.0
Not legally separated.....	22.3	25.0	24.8
Not married to mother.....	33.8	31.0	31.5
Other.....	3.8	4.0	2.2
Mother absent from home.....	1.6	1.6	1.2

¹ Natural, adoptive, or legal stepfather.

Table 2.—Number and percentage distribution of AFDC recipient children, by location of father, 1973–77

Location of father	1977	1975	1973
Total number.....	7,835,803	8,120,732	6,396,439
Total percent.....	100.0	100.0	100.0
Deceased.....	2.6	3.7	4.0
In the home.....	13.0	13.0	15.2
In institution:			
Correctional.....	2.1	1.9	2.1
Other.....	.3	.2	.5
Same county as family.....	21.9	20.6	19.5
Different county, but same State as family.....	6.9	6.3	5.9
Different State than family.....	10.2	9.5	9.1
In foreign country.....	1.2	1.0	1.2
Whereabouts unknown.....	41.8	43.8	42.6

The whereabouts of two-fifths of all fathers was unknown in 1977—a situation that obviously hindered attempts to establish the obligation of these individuals for providing child support (table 2). Another two-fifths of the fathers were also absent from the home but with their address known; slightly more than half of these fathers were living in the same county as their families. These proportions are higher than those for 1975 and about the same as those in 1973. If the remaining on-fifth of the fathers—those not expected to contribute child support because of institutionalization or death and those living in the home—are excluded, than a picture of the CSE population is formed.

The general location of half of the absent fathers was known to CSE agencies in the various States. About one-fourth were within the same county and more than one-third were within the same State. Paternity/child-support proceedings for the local fathers, then, becomes a matter of pinpointing their exact location and employing the existing intrastate/intracounty procedures. For absent fathers outside the original State of residence or in a different country, the importance of increasing interstate and international communication and cooperation becomes clearly evident.

Of the fathers who were absent in 1977 and not in the Armed Forces, 33 percent were located (table 3). Thirty percent of the absent fathers were not located or were still being searched for. For 37 percent, no attempt was made to locate the father.

Table 3.—Number and percentage distribution of AFDC recipient children with fathers absent from the home, by attempt to locate father, 1977

Attempt to locate father	Child recipients	
	Number	Percent
Total ¹	6,625,067	100.0
Located.....	2,181,183	32.9
Not located.....	2,005,365	30.3
No attempt to locate.....	2,438,519	36.8

¹ Excludes those in the Armed Forces.

Table 4.—Number and percentage distribution of AFDC recipient children with fathers absent from the home, by months since father left home, 1977

Months since father left home	Child recipients	
	Number	Percent
Total ¹	3,445,695	100.0
1-6	251,877	7.3
7-12	409,366	11.9
13-18	144,251	4.2
19-24	344,156	10.0
25-36	449,257	13.0
37-48	360,396	10.5
49-60	314,064	9.1
61-120	882,119	25.6
120 or more	290,209	8.4

¹ Excludes those who never lived in the home and number of months unknown.

For fathers whose departure date from home was known (excluding those who have never been in the home) the data show that about 19 percent of the fathers of recipient children left home within the year before the survey (table 4). A third of these fathers had left within the past 2 years, and more than half left within the past 4 years. Throughout the United States the average time away from home for these fathers was 7 1/3 years.

Paternity had been established for 2,244,500 or 27 percent of the children (table 5). Paternity was not in question or no proceedings had been started for 46 percent of the children. For about 12 percent of the children, paternity proceedings had begun but paternity was not established.

Court orders and obligations for child support, since the opening of the AFDC cases, had been established for 26 percent of all children by 1977, compared with 25 percent and 21 percent in 1973 and 1975, respectively (table 6). Much of this increase, however, seems to reflect the replacement of voluntary agreements by court orders. In 1973, voluntary agreements alone accounted for 6 percent of all support going to recipients; in 1975 this proportion had changed to 7 percent of the total. By 1977, all support obligations other than court orders (including voluntary agreements) had declined to 3 percent.

In both 1973 and 1977, the monthly amounts most often ordered by the court were within the range of \$100-\$149. An

Table 5.—Number and percentage distribution of AFDC recipient children, by paternity status, 1977

Paternity status	Child recipients	
	Number	Percent
Total	7,835,803	100.0
Paternity known or no proceedings started to establish paternity	3,639,534	46.4
Paternity proceedings started and paternity established	2,244,451	28.6
Paternity proceedings started but paternity not established	919,379	11.7
Unknown	1,032,439	13.2

Table 6.—Number and percentage distribution of AFDC families, by child support obligation, 1973-77

Child support obligation	1977	1975	1973
Total number	3,523,294	3,419,671	2,989,891
Total percent	100.0	100.0	100.0
No court order or agreement ...	71.9	68.7	73.6
Court order	25.9	24.9	21.2
Other ¹	2.8	6.8	5.6
Unknown	1.1	.7	0

¹ Includes voluntary agreements.

amount in this range was prescribed in both years for about 23 percent of all cases with awards (table 7). An amount from \$50 to \$74 was prescribed in about 19 percent of the cases in each of those years. These two ranges of awards were also the highest and second highest in 1975. The average obligation in 1973 was \$114.67; by 1977, the average had risen to \$128.50.

A comparison of actual payments ordered and payments made is presented in table 8 for 1977. Child support from \$100 to \$149 had the greatest likelihood of being met or exceeded. No support was paid for about half the court orders or other support obligations.

In 1977, actions taken to enforce a support obligation were successful in about 15 percent of all cases. They were not successful or were still in progress in 20 percent of the cases.

Expectation of the future demand for CSE program services in association with AFDC depend directly on future projections of the AFDC family caseload. If the near future can be expected to resemble the recent past, then the CSE program caseload will range from 80 percent to 85 percent of the AFDC caseload, as shown in table 1. The Urban Institute, using its dynamic simulation of income model, which incorporates a microanalytic approach to forecasting, has projected the size of the AFDC caseload on the basis of a combination of behavioral assumptions about individuals and historical data.² Removal of an admitted 2-percent bias because their model is an annual one and cannot capture part-year participants, provides these benchmark calendar-year projections: for 1977, 3,292,000; for 1980, 3,523,000; and for 1984, 3,914,000.

The actual caseload for calendar year 1977 was 3,588,000, a difference of about 9 percent from the projection. The Urban Institute prefaces its forecast by saying that, because of the offsetting influences of births, marriages, and divorces, the first 5 projected years show no clear trend but that beginning in 1980, the caseload begins to rise. They attribute

² The birth, marriage, and divorce rates were assumed to remain constant after 1977—with unemployment and inflation reduced to 5 percent and 4 percent, respectively; the labor-force participation of women rising from 46.9 million to 61.2 million by 1984; and all economic parameters rising with the rate of inflation. See Richard F. Wertsch and Sheila R. Zedlewski, *The Impact of Demographic Change on the Distribution of Earned Income and the AFDC Program*, The Urban Institute, Washington, D. C., December 1976.

Table 7.—Number and percent of AFDC families with child support ordered by the court, by monthly amount of child support, 1973–77

Amount of child support	1977	1975	1973
Total number ¹	847,145	813,973	626,689
Total percent	100.0	100.0	100.0
\$1–24	4.5	4.7	5.0
25–49	12.9	14.6	15.6
50–74	18.4	16.5	18.9
75–99	14.7	13.3	14.3
100–149	23.0	23.8	23.2
150–199	12.9	13.1	12.2
200–249	6.9	7.0	6.6
250–299	2.9	2.4	2.0
300 or more	3.8	4.6	2.1

¹ Excludes those with amount unknown.

this growth to the increasing number of divorces expected as a result of a previously rising number of marriages, as well as to a steady increase in births. Their estimate for 1980 is within 1.2 percent of the 1980 estimate of 3,565,000 families, made by the Social Security Administration. For 1984 the Urban Institute projected a caseload of 3,914,000 families (adjusted to the Social Security Administration estimate for 1980)—13 percent above the expected trend estimate of 3,465,000 and 11 percent different from the unadjusted figure of 3,837,000. The longer-term general trend implicit in these numbers seems to show that the CSE program caseload will remain relatively unchanged for the next 5 years or may rise slightly—by 200,000–400,000 families, perhaps (with the highest projection used).

Factors Affecting Total Caseload

About 5,709,000 families were in the general population in 1977 with a woman as household head, no spouse present, and one or more related children³ under age 18. The median

³ “Related children” refer to the parent’s own children and all other children in the household related by blood, marriage, or adoption.

Table 8.—Number and percentage distribution of AFDC families with support obligations, by monthly amount of support from parents and payments status, 1977

Amount of support	Total number of families receiving support	Percentage distribution, by support status					
		Total	No support paid	Actual payments			Unknown
				Equals court order or agreement	Below court order or agreement	Exceeds court order or agreement	
\$1–24	45,222	100.0	56.0	19.4	6.4	18.2
25–49	117,908	100.0	54.8	16.9	3.4	7.7	17.2
50–74	166,753	100.0	56.1	19.0	5.3	4.6	14.9
75–99	134,616	100.0	56.3	17.3	8.5	4.0	13.9
100–149	204,211	100.0	55.1	21.8	9.5	4.0	11.6
150–199	114,244	100.0	49.9	19.6	13.8	4.2	12.4
200–249	62,192	100.0	52.4	15.2	11.6	4.9	15.9
250 or more	59,808	100.0	49.6	22.3	12.7	15.4
Unknown	172,687	100.0	71.8	11.3			16.9

annual income of this group was \$6,500.⁴ In that year, 644,000 men were in the same position but earning a median annual income of \$13,368. About 2,384,000 (42 percent) of the women were below the poverty level with a median annual income of \$3,369 and a mean annual income of \$3,404. Approximately 95,000 men (15 percent) were similarly situated, in relation to the poverty level. Sixty-nine percent of the women household heads under age 25 and with related children were below the poverty level. The AFDC study showed that, in 1977, about 1,002,200 (28.4 percent) of the actual AFDC caseload were women of this description.

If past trends continue into the near future, the CSE program will spend an increasing amount of its time in establishing paternity. “The number of one-parent families maintained by a woman increased tremendously—by 55 percent during the 1960’s and 78 percent . . . from 1970 to 1978.”⁵ The proportion of families with women at the head who have never been married is 2 percent. The important role of child-support payments obtained through all sources—that is, not only that obtained as a result of the CSE program, can be seen from the fact that the poverty rate for women not receiving child support declines from 19 percent to 12 percent when child support payments are added in.⁶

If the current movement toward more frequent custody of their children by their fathers continues, and fathers such as those described above maintain their income level, it seems likely that fewer families will need to receive AFDC payments. Another AFDC reduction factor that appears to be growing is the widespread use of contraception to dimin-

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⁴ Income figures in this section include earned and unearned income, social security benefits, SSI payments, and public assistance payments, including AFDC. Bureau of Census, “Money Income in 1977 of Families and Persons in the U.S.,” *Current Population Reports: Special Studies* (Series P-60, No. 119).

⁵ Bureau of the Census, “Divorce, Child Custody, and Child Support,” *Special Studies* (Series P-23, No. 84), page 1.

⁶ Bureau of the Census, “Characteristics of the Population Below the Poverty Level: 1977,” *Current Population Reports* (No. 119), 1979.

Table M-2.—Public income-maintenance programs: Hospital and medical care payments, 1940-79

[In millions]

Period	Total	OASDHI (health insurance) ¹			Other programs			
		Total	Hospital insurance ²	Medical insurance	Veterans	Temporary disability ³	Workmen's compensation ⁴	Public assistance ⁵
1940	\$165				\$70		\$95	
1945	222				97		125	
1950	832				573	\$7	200	\$52
1955	1,265				688	20	325	232
1960	1,846				848	41	435	522
1961	2,093				899	46	460	688
1962	2,406				940	46	495	925
1963	2,611				971	50	525	1,065
1964	2,890				1,019	51	565	1,255
1965	3,204				1,072	52	600	1,480
1966	4,898	\$1,019	\$891	\$128	1,137	54	680	2,008
1967	9,554	4,549	3,353	1,197	1,328	53	750	2,873
1968	12,107	5,697	4,179	1,518	1,429	55	830	4,096
1969	13,837	6,603	4,739	1,865	1,573	59	920	4,681
1970	15,614	7,099	5,124	1,975	1,793	66	1,050	5,606
1971	18,109	7,868	5,751	2,117	2,087	71	1,130	6,953
1972	21,173	8,644	6,319	2,325	2,409	65	1,250	8,805
1973	23,732	9,584	7,057	2,526	2,681	69	1,480	9,919
1974	29,108	12,419	9,101	3,318	3,076	71	1,760	11,782
1975	35,803	15,591	11,318	4,273	3,551	74	2,030	14,555
1976	41,267	18,423	13,343	5,080	4,422	71	2,380	15,941
1977	46,819	27,781	15,743	6,038	4,465	74	2,740	17,739
1978	(^a)	24,940	17,688	7,252	5,257	77	3,230	(^a)
1978								
October		2,241	1,563	678	445			1,666
November		2,201	1,548	653	436			(^a)
December		2,138	1,517	621	419			(^a)
1979								
January		2,329	1,639	690	458			(^a)
February		2,210	1,580	631	403			(^a)
March		2,492	1,783	709	444			(^a)
April		2,336	1,636	700	417			(^a)
May		2,453	1,734	719	457			(^a)
June		2,402	1,725	677	428			(^a)
July		2,424	1,728	696	447			(^a)
August		2,637	1,836	801	467			(^a)
September		2,254	1,570	684	445			(^a)
October		2,650	1,826	824	489			(^a)

¹Benefit expenditures from the Federal hospital insurance and supplementary medical insurance trust funds as reported by the U.S. Treasury.

²Excludes payments by Railroad Retirement Board for beneficiaries in Canadian hospitals.

³Benefits in California and New York (from 1950), including payments under private plans. Monthly data not available.

⁴Benefits under Federal workmen's compensation laws and under State laws

paid by private insurance carriers, State funds, and self-insurers. Beginning 1959, includes data for Alaska and Hawaii. Monthly data not available.

⁵Federal matching for medical vendor payments under public assistance began October 1950.

^aData not available.

Source: U.S. Treasury and unpublished data from administrative agencies.

Child Support Enforcement Programs

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ish the chance of unintended pregnancies. Similarly, the less restrictive atmosphere for obtaining abortions, following the 1973 Supreme Court decisions, has probably lowered the AFDC population. Legislation that would permit the

use of Federal Government funds for abortions for poor women could directly affect this outcome in the future. Though most of the societal and economic parameters are unclear for even the near future, at this time it can be expected that the caseload for the CSE program will remain at least at the current levels for the next few years.